

Registration number 03230321

**Thos Storey Property Limited**

**Abbreviated accounts**

**for the year ended 31 December 2005**



# **Thos Storey Property Limited**

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# **Thos Storey Property Limited**

## **Directors' report for the year ended 31 December 2005**

The directors present their report and the accounts for the year ended 31 December 2005.

### **Principal activity and review of the business**

The principal activities of the company in the year under review were the rental of property and plant and machinery to the Group's trading divisions.

The company traded profitably during the year and the directors expect that it will continue to do so for the foreseeable future.

During the year the company has purchased land in Openshaw, Manchester and commissioned the building of a new factory and offices. Due to be completed in May 2006 they will be occupied by Thos Storey Fabrications Limited. The buildings are being built by Russells Limited and the production facilities by Thos Storey Fabrications Limited.

The Stockport premises will be transferred to Barratt Homes as soon as they are vacated.

### **Results and dividends**

The results for the year are set out on page 4 - 5.

The directors do not recommend payment of a final dividend.

### **Post balance sheet events**

The company entered into a conditional sale agreement for the disposal of its freehold land and buildings, with Barratt Homes Limited. The sale agreement became unconditional on 28 April 2005. The sales price is £2,800,000 and the contract is due to be completed in April/May 2006. At this time the company will transfer its operations to a new purpose built facility in Openshaw, Manchester. Further information is given in notes 10,13 and 21.

### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

|              | <b>Class of share</b> | <b>31/12/05</b> | <b>01/01/05</b> |
|--------------|-----------------------|-----------------|-----------------|
| F Ellis ACMA | £1 Ordinary shares    | -               | -               |
| J Huggins    | £1 Ordinary shares    | -               | -               |

The directors' interests in the share capital of the ultimate parent company are disclosed in the directors' report of that entity.

**Thos Storey Property Limited**

**Directors' report  
for the year ended 31 December 2005**

..... continued

**Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

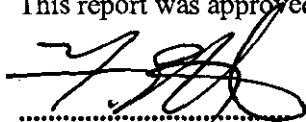
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hurst & Company Accountants LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 14 May 2006 and signed on its behalf by



**F Ellis ACMA**  
**Secretary**

**Independent auditors' report to Thos Storey Property Limited  
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 - 5 to 22 together with the financial statements of Thos Storey Property Limited for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 2005, and the abbreviated accounts on pages 4 - 5 to 22 are properly prepared in accordance with that provision.

*Hurst & Company Accountants LLP*

**Hurst & Company Accountants LLP  
Chartered Accountants and  
Registered Auditors  
Lancashire Gate  
21 Tiviot Dale  
Stockport  
SK1 1TD**

Date: 24/5/06

**Thos Storey Property Limited**

**Abbreviated profit and loss account  
for the year ended 31 December 2005**

|                                                      |              | <b>Continuing operations</b> |             |
|------------------------------------------------------|--------------|------------------------------|-------------|
|                                                      |              | <b>2005</b>                  | <b>2004</b> |
|                                                      | <b>Notes</b> | <b>£</b>                     | <b>£</b>    |
| <b>Gross profit</b>                                  |              | 546,804                      | 546,804     |
| Administrative expenses                              |              | (160,023)                    | (124,715)   |
| <b>Operating profit</b>                              | <b>2</b>     | 386,781                      | 422,089     |
| Other exceptional items                              | <b>2</b>     | -                            | (108,542)   |
| <b>Profit on ordinary activities before interest</b> |              | 386,781                      | 313,547     |
| Other interest receivable and similar income         | <b>3</b>     | 10,130                       | 8,228       |
| Interest payable and similar charges                 | <b>4</b>     | (148,475)                    | (85,612)    |
| <b>Profit on ordinary activities before taxation</b> |              | 248,436                      | 236,163     |
| Tax on profit on ordinary activities                 | <b>6</b>     | (135,603)                    | (180,471)   |
| <b>Profit on ordinary activities after taxation</b>  |              | 112,833                      | 55,692      |
| Dividends                                            | <b>7</b>     | -                            | (500,000)   |
| <b>Retained profit/(loss) for the year</b>           |              | 112,833                      | (444,308)   |

There are no recognised gains or losses other than the profit or loss for the above two financial years.

**The notes on pages 8 to 22 form an integral part of these financial statements.**

**Thos Storey Property Limited**

**Abbreviated profit and loss account  
for the year ended 31 December 2005**

|                                                                                                                                            | <b>2005</b>    | <b>2004</b>      |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|
|                                                                                                                                            | <b>£</b>       | <b>£</b>         |
| <b>Note of historical cost profits and losses</b>                                                                                          |                |                  |
| <b>Profit on ordinary activities before taxation</b>                                                                                       | 248,436        | 236,163          |
| Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount | 4,159          | 4,159            |
| <b>Historical cost profit on ordinary activities before taxation</b>                                                                       | <u>252,595</u> | <u>240,322</u>   |
| <b>Historic cost profit/(loss) for the year retained after taxation and dividends</b>                                                      | <u>116,992</u> | <u>(440,149)</u> |

**The notes on pages 8 to 22 form an integral part of these financial statements.**

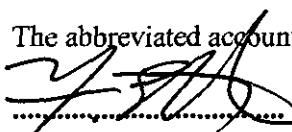
**Thos Storey Property Limited**

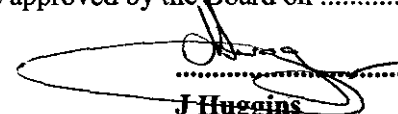
**Abbreviated balance sheet  
as at 31 December 2005**

|                                                                |       | 2005           |                  | 2004           |                  |
|----------------------------------------------------------------|-------|----------------|------------------|----------------|------------------|
|                                                                | Notes | £              | £                | £              | £                |
| <b>Fixed assets</b>                                            |       |                |                  |                |                  |
| Intangible assets                                              | 8     |                | -                |                | (39,617)         |
| Tangible assets                                                | 9     |                | 5,339,977        |                | 2,270,333        |
| Investments                                                    | 10    |                | 1                |                | 1                |
|                                                                |       |                | <u>5,339,978</u> |                | <u>2,230,717</u> |
| <b>Current assets</b>                                          |       |                |                  |                |                  |
| Debtors                                                        | 11    |                |                  |                |                  |
| falling due after more than one year                           |       |                | -                | 188,947        |                  |
| falling due within one year                                    |       | 232,727        |                  | 319,136        |                  |
| Cash at bank and in hand                                       |       | 245,573        |                  | -              |                  |
|                                                                |       | <u>478,300</u> |                  | <u>508,083</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 12    | (2,259,542)    |                  | (467,608)      |                  |
| <b>Net current (liabilities)/assets</b>                        |       |                | (1,781,242)      |                | 40,475           |
| <b>Total assets less current liabilities</b>                   |       |                | 3,558,736        |                | 2,271,192        |
| <b>Creditors: amounts falling due after more than one year</b> | 13    |                | (1,914,091)      |                | (792,517)        |
| <b>Provisions for liabilities and charges</b>                  | 14    |                | (146,142)        |                | (93,005)         |
| <b>Net assets</b>                                              |       |                | <u>1,498,503</u> |                | <u>1,385,670</u> |
| <b>Capital and reserves</b>                                    |       |                |                  |                |                  |
| Called up share capital                                        | 16    |                | 100,100          |                | 100,100          |
| Revaluation reserve                                            | 17    |                | 708,294          |                | 729,757          |
| Other reserves                                                 | 17    |                | 458,109          |                | 462,268          |
| Profit and loss account                                        | 17    |                | 232,000          |                | 93,545           |
| <b>Shareholders' funds</b>                                     | 18    |                | <u>1,498,503</u> |                | <u>1,385,670</u> |

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 24 May 2006 and signed on its behalf by

  
F Ellis ACMA  
Director

  
J Huggins  
Director

The notes on pages 8 to 22 form an integral part of these financial statements.

# Thos Storey Property Limited

## Cash flow statement for the year ended 31 December 2005

|                                                                                        | Notes | 2005<br>£          | 2004<br>£          |
|----------------------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                    |                    |
| Operating profit                                                                       |       | 386,781            | 422,089            |
| Depreciation                                                                           |       | 150,422            | 124,714            |
| Decrease in debtors                                                                    |       | 275,356            | 145,598            |
| Increase in creditors                                                                  |       | 717,352            | 43,643             |
| Write down inter-company loan account on re-organisation                               |       | -                  | (108,542)          |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>1,529,911</u>   | <u>627,502</u>     |
| <b>Cash flow statement</b>                                                             |       |                    |                    |
| Net cash inflow from operating activities                                              |       | 1,529,911          | 627,502            |
| Returns on investments and servicing of finance                                        | 24    | (138,345)          | (77,384)           |
| Taxation                                                                               | 24    | (87,467)           | -                  |
| Capital expenditure                                                                    | 24    | (3,259,683)        | -                  |
| Acquisitions and disposals                                                             | 24    | -                  | 399,411            |
|                                                                                        |       | (1,955,584)        | 949,529            |
| Equity dividends paid                                                                  |       | -                  | (500,000)          |
|                                                                                        |       | (1,955,584)        | 449,529            |
| Financing                                                                              | 24    | 2,203,976          | (249,527)          |
| <b>Increase in cash in the year</b>                                                    |       | <u>248,392</u>     | <u>200,002</u>     |
| <b>Reconciliation of net cash flow to movement in net debt (Note 25)</b>               |       |                    |                    |
| <b>Increase in cash in the year</b>                                                    |       | 248,392            | 200,002            |
| Cash inflow from increase in debts and lease financing                                 |       | (2,203,976)        | 249,527            |
| Change in net debt resulting from cash flows                                           |       | (1,955,584)        | 449,529            |
| <b>Net debt at 1 January 2005</b>                                                      |       | <u>(1,056,025)</u> | <u>(1,505,554)</u> |
| <b>Net debt at 31 December 2005</b>                                                    |       | <u>(3,011,609)</u> | <u>(1,056,025)</u> |

The notes on pages 8 to 22 form an integral part of these financial statements.

## **Thos Storey Property Limited**

### **Notes to the abbreviated financial statements for the year ended 31 December 2005**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets .

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of rental charged during the year.

##### **1.3. Goodwill**

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair values of its separate net assets. Positive goodwill is capitalised and amortised over 10 years, being the directors' estimate of its useful economic life. Negative goodwill is capitalised and is amortised through the profit and loss account over the lives of the tangible fixed assets which is estimated at 5 years.

##### **1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life once brought into use, as follows:

|                     |   |                                      |
|---------------------|---|--------------------------------------|
| Land and buildings  | - | Straight line over thirty five years |
| Plant and machinery | - | 5 - 50% on cost                      |
| Motor vehicles      | - | 10 - 20% on cost                     |

Where useful economic life is revised, depreciation will be charged over the remaining useful economic life.

##### **1.5. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.6. Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

# Thos Storey Property Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

### 1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 1.8. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

### 2. Operating profit

|                                                              | 2005     | 2004     |
|--------------------------------------------------------------|----------|----------|
|                                                              | £        | £        |
| Operating profit is stated after charging:                   |          |          |
| Depreciation and other amounts written off intangible assets | (39,617) | (65,325) |
| Depreciation and other amounts written off tangible assets   | 190,039  | 190,039  |
| <b>Exceptional items</b>                                     |          |          |
| Write-off irrecoverable inter company loan                   | -        | 108,542  |

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

|                                                  |                |               |
|--------------------------------------------------|----------------|---------------|
| <b>3. Interest receivable and similar income</b> | <b>2005</b>    | <b>2004</b>   |
|                                                  | <b>£</b>       | <b>£</b>      |
| Bank interest                                    | 8,343          | -             |
| Other interest                                   | 1,787          | 8,228         |
|                                                  | <u>10,130</u>  | <u>8,228</u>  |
| <b>4. Interest payable and similar charges</b>   | <b>2005</b>    | <b>2004</b>   |
|                                                  | <b>£</b>       | <b>£</b>      |
| On amounts payable to group companies            | 4,170          | -             |
| On loans repayable in five years or more         | 123,292        | 33,022        |
| Hire purchase interest                           | 21,013         | 52,590        |
|                                                  | <u>148,475</u> | <u>85,612</u> |

**5. Employees**

There were no employees during the year apart from the directors. The directors are remunerated through Thos. Storey Fabrications Limited.

# Thos Storey Property Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

### 6. Tax on profit on ordinary activities

| Analysis of charge in period                 | 2005<br>£ | 2004<br>£ |
|----------------------------------------------|-----------|-----------|
| <b>Current tax</b>                           |           |           |
| UK corporation tax                           | 82,466    | 87,467    |
| Total current tax charge                     | 82,466    | 87,467    |
| <b>Deferred tax</b>                          |           |           |
| Timing differences, origination and reversal | 53,137    | 93,004    |
| Total deferred tax                           | 53,137    | 93,004    |
| Tax on profit on ordinary activities         | 135,603   | 180,471   |

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

|                                                                                                                        | 2005<br>£ | 2004<br>£ |
|------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Profit on ordinary activities before taxation                                                                          | 248,436   | 236,163   |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2004 : 30%) | 74,531    | 70,849    |
| <b>Effects of:</b>                                                                                                     |           |           |
| Expenses not deductible for tax purposes                                                                               | 9,749     | (6,352)   |
| Capital allowances for period in excess of depreciation                                                                | (53,137)  | (43,496)  |
| Utilisation of tax losses                                                                                              | -         | 13,763    |
| Changes in tax rates                                                                                                   | 53,845    | -         |
| Marginal relief                                                                                                        | (2,522)   | (2,102)   |
| Fair value adjustments transferred on re-organisation                                                                  | -         | 192,400   |
| Assets transferred on re-organisation                                                                                  | -         | (137,595) |
| Current tax charge for period                                                                                          | 82,466    | 87,467    |

### 7. Dividends

|                                    | 2005<br>£ | 2004<br>£ |
|------------------------------------|-----------|-----------|
| <b>Dividends on equity shares:</b> |           |           |
| £1 Ordinary shares - interim paid  | -         | 500,000   |

# Thos Storey Property Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

| 8. Intangible fixed assets                   | Negative<br>Goodwill<br>£ | Goodwill<br>£ | Total<br>£ |
|----------------------------------------------|---------------------------|---------------|------------|
| <b>Cost</b>                                  |                           |               |            |
| At 1 January 2005                            | (329,001)                 | 4,730         | (324,271)  |
| At 31 December 2005                          | (329,001)                 | 4,730         | (324,271)  |
| <b>Provision for<br/>diminution in value</b> |                           |               |            |
| At 1 January 2005                            | (285,126)                 | 472           | (284,654)  |
| Charge for year                              | (43,875)                  | 4,258         | (39,617)   |
| At 31 December 2005                          | (329,001)                 | 4,730         | (324,271)  |
| <b>Net book values</b>                       |                           |               |            |
| At 31 December 2005                          | -                         | -             | -          |
| At 31 December 2004                          | (43,875)                  | 4,258         | (39,617)   |

Negative goodwill arose on the acquisition of the trade and assets of Walton Fabrications on the 5 September 2000. Positive goodwill relates to the professional fees capitalised on the acquisition of Walton Fabrications on the 5 September 2000.

| 9. Tangible fixed assets | Land and<br>buildings<br>freehold<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|--------------------------|----------------------------------------|-----------------------------|------------------------|------------|
| <b>Cost/revaluation</b>  |                                        |                             |                        |            |
| At 1 January 2005        | 1,300,000                              | 1,532,585                   | 12,650                 | 2,845,235  |
| Additions                | 3,271,144                              | -                           | -                      | 3,271,144  |
| Disposals                | -                                      | (16,000)                    | -                      | (16,000)   |
| At 31 December 2005      | 4,571,144                              | 1,516,585                   | 12,650                 | 6,100,379  |
| <b>Depreciation</b>      |                                        |                             |                        |            |
| At 1 January 2005        | 32,500                                 | 533,276                     | 9,126                  | 574,902    |
| On disposals             | -                                      | (4,539)                     | -                      | (4,539)    |
| Charge for the year      | 32,500                                 | 155,971                     | 1,568                  | 190,039    |
| At 31 December 2005      | 65,000                                 | 684,708                     | 10,694                 | 760,402    |
| <b>Net book values</b>   |                                        |                             |                        |            |
| At 31 December 2005      | 4,506,144                              | 831,877                     | 1,956                  | 5,339,977  |
| At 31 December 2004      | 1,267,500                              | 999,309                     | 3,524                  | 2,270,333  |

# Thos Storey Property Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

Included above are assets held under finance leases or hire purchase contracts as follows:

| Asset description   | 2005                   |                             | 2004                   |                             |
|---------------------|------------------------|-----------------------------|------------------------|-----------------------------|
|                     | Net<br>book value<br>£ | Depreciation<br>charge<br>£ | Net<br>book value<br>£ | Depreciation<br>charge<br>£ |
| Plant and machinery | <u>460,637</u>         | <u>59,655</u>               | <u>980,766</u>         | <u>148,296</u>              |

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

|                | 2005<br>£     | 2004<br>£     |
|----------------|---------------|---------------|
| Cost           | 34,004        | 34,004        |
| Depreciation   | <u>8,160</u>  | <u>7,480</u>  |
| Net book value | <u>25,844</u> | <u>26,524</u> |

The company's freehold land and buildings were revalued to open market value of £1,300,000 on a continuing use basis, on 30 October 2003 by Lambert Smith Hampton. The directors have contracted for the sale of this property for £2,800,000; this gain has not been realised. The freehold acquisition in the year relates to replacement premises, these will be depreciated from the date they are brought into use. Further information is contained in notes 10, 13, 21 and 24.

| 10. Fixed asset investments | Subsidiary<br>undertakings<br>shares<br>£ | Total<br>£ |
|-----------------------------|-------------------------------------------|------------|
| <b>Cost</b>                 |                                           |            |
| At 1 January 2005           |                                           |            |
| At 31 December 2005         | <u>1</u>                                  | <u>1</u>   |
| <b>Net book values</b>      |                                           |            |
| At 31 December 2005         | <u>1</u>                                  | <u>1</u>   |
| At 31 December 2004         | <u>1</u>                                  | <u>1</u>   |

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

**10.1. Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies:

| <b>Company</b>                | <b>Country of<br/>registration<br/>or incorporation</b> | <b>Nature of<br/>business</b> | <b>Shares held<br/>class</b> | <b>Proportion<br/>of shares<br/>held</b> |
|-------------------------------|---------------------------------------------------------|-------------------------------|------------------------------|------------------------------------------|
| <b>Subsidiary undertaking</b> |                                                         |                               |                              |                                          |
| Lloyds UK Limited             | England & Wales                                         | Dormant                       | Ordinary                     | 100%                                     |

**11. Debtors**

|                                    | <b>2005<br/>£</b> | <b>2004<br/>£</b> |
|------------------------------------|-------------------|-------------------|
| Amounts owed by group undertakings | 35,060            | 422,745           |
| Amount owed by connected companies | 3,417             | 29,660            |
| Other debtors                      | 146,800           | -                 |
| Prepayments and accrued income     | 47,450            | 55,678            |
|                                    | <u>232,727</u>    | <u>508,083</u>    |

Amounts falling due after more than one year and included in debtors are:

|                                   |          |                |
|-----------------------------------|----------|----------------|
| Amounts owed by group undertaking | <u>-</u> | <u>188,947</u> |
|-----------------------------------|----------|----------------|

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

| 12. Creditors: amounts falling due<br>within one year               | 2005<br>£        | 2004<br>£      |
|---------------------------------------------------------------------|------------------|----------------|
| Bank overdraft                                                      | 2,350            | 5,169          |
| Bank loan                                                           | 1,233,146        | 25,445         |
| Net obligations under finance leases<br>and hire purchase contracts | 107,595          | 232,894        |
| Amounts owed to group undertaking                                   | 224,992          | 109,681        |
| Corporation tax                                                     | 82,466           | 87,467         |
| Accruals and deferred income                                        | 608,993          | 6,952          |
|                                                                     | <u>2,259,542</u> | <u>467,608</u> |

Bank overdrafts amounting to £2,350 (2004 £5,169) are secured by a mortgage debenture dated 27 December 1996, over unscheduled assets.

Bank loans amounting to £3,033,146 (2004 £582,378) (shown within short term and long term creditors) are secured by a first legal mortgage dated 27 December 1996, over the works at Station Road, Reddish, Stockport, Cheshire and by a first legal charge over part of the former Haynes International site, Stainburn Road, Openshaw, Manchester.

Chattel mortgages amounting to £nil (2004 £190) (shown as bank loans within short term creditors) are secured on plant and machinery.

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

| <b>13. Creditors: amounts falling due<br/>after more than one year</b> | <b>2005<br/>£</b> | <b>2004<br/>£</b> |
|------------------------------------------------------------------------|-------------------|-------------------|
| Bank loan                                                              | 1,800,000         | 557,123           |
| Net obligations under finance leases<br>and hire purchase contracts    | 114,091           | 235,394           |
|                                                                        | <u>1,914,091</u>  | <u>792,517</u>    |
| <b>Loans</b>                                                           |                   |                   |
| Repayable in one year or less, or on demand (Note 12)                  | 1,233,146         | 25,445            |
| Repayable between one and two years                                    | 180,000           | 27,614            |
| Repayable between two and five years                                   | 540,000           | 96,998            |
| Repayable in five years or more                                        | 1,080,000         | 432,511           |
|                                                                        | <u>3,033,146</u>  | <u>582,568</u>    |
| Repayable in five years or more:                                       |                   |                   |
| Bank loan                                                              | 1,080,000         | 432,511           |
|                                                                        | <u>1,080,000</u>  | <u>432,511</u>    |

Included within bank loans are the following:

£3,033,146 will be repaid on completion of the sale of Station Road, Reddish and will be replaced with a £1,800,000 commercial mortgage repayable over 10 years.

**Net obligations under finance leases  
and hire purchase contracts**

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Repayable within one year            | 107,595        | 232,894        |
| Repayable between one and five years | 114,091        | 235,394        |
|                                      | <u>221,686</u> | <u>468,288</u> |

Net obligations under finance leases and hire purchase are secured on the assets acquired.

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

**14. Provisions for liabilities and charges**

|                       | <b>Deferred<br/>taxation<br/>(Note 15)<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|--------------------------------------------------|--------------------|
| At 1 January 2005     | 93,005                                           | 93,005             |
| Movements in the year | 53,137                                           | 53,137             |
| At 31 December 2005   | <u>146,142</u>                                   | <u>146,142</u>     |

**15. Provision for deferred taxation**

|                                                | <b>2005<br/>£</b> | <b>2004<br/>£</b> |
|------------------------------------------------|-------------------|-------------------|
| Accelerated capital allowances                 | 92,297            | 93,005            |
| Changes in tax rates                           | 53,845            | -                 |
| Undiscounted provision for deferred tax        | <u>146,142</u>    | <u>93,005</u>     |
| Provision at 1 January 2005                    | 93,005            |                   |
| Deferred tax charge in profit and loss account | 53,137            |                   |
| Provision at 31 December 2005                  | <u>146,142</u>    |                   |

**16. Share capital**

|                                                  | <b>2005<br/>£</b> | <b>2004<br/>£</b> |
|--------------------------------------------------|-------------------|-------------------|
| <b>Authorised equity</b>                         |                   |                   |
| 110,100 £1 Ordinary shares                       | <u>110,100</u>    | <u>110,100</u>    |
| <b>Allotted, called up and fully paid equity</b> |                   |                   |
| 100,100 £1 Ordinary shares                       | <u>100,100</u>    | <u>100,100</u>    |

# Thos Storey Property Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

| 17. Equity Reserves                 | Revaluation<br>reserve<br>£ | Profit<br>and loss<br>account<br>£ | Special<br>reserve<br>£ | Total<br>£       |
|-------------------------------------|-----------------------------|------------------------------------|-------------------------|------------------|
| At 1 January 2005                   | 729,757                     | 93,545                             | 462,268                 | 1,285,570        |
| Transfer of realised profit         | (21,463)                    | 25,622                             |                         | 4,159            |
| Retained profit/(loss) for the year |                             | 112,833                            |                         | 112,833          |
| Other movements                     | -                           | -                                  | (4,159)                 | (4,159)          |
| At 31 December 2005                 | <u>708,294</u>              | <u>232,000</u>                     | <u>458,109</u>          | <u>1,398,403</u> |

| 18. Reconciliation of movements in shareholders' funds | 2005<br>£        | 2004<br>£        |
|--------------------------------------------------------|------------------|------------------|
| Profit for the year                                    | 112,833          | 55,692           |
| Dividends                                              | -                | (500,000)        |
|                                                        | <u>112,833</u>   | <u>(444,308)</u> |
| Opening shareholders' funds                            | 1,385,670        | 1,829,978        |
| Closing shareholders' funds                            | <u>1,498,503</u> | <u>1,385,670</u> |

### 19. Financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as follows:

|                            | Land and buildings |               | Other         |                |
|----------------------------|--------------------|---------------|---------------|----------------|
|                            | 2005<br>£          | 2004<br>£     | 2005<br>£     | 2004<br>£      |
| <b>Expiry date:</b>        |                    |               |               |                |
| Within one year            | 68,750             | -             | 36,151        | -              |
| Between one and five years | -                  | 75,000        | 39,675        | 109,586        |
|                            | <u>68,750</u>      | <u>75,000</u> | <u>75,826</u> | <u>109,586</u> |

Although the leases referred to above are in the name of Thos Storey Property Limited, the commitments are being met by one of the trading companies in the group, Thos Storey Fabrications Limited.

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

|                                |             |             |
|--------------------------------|-------------|-------------|
| <b>20. Capital commitments</b> | <b>2005</b> | <b>2004</b> |
|                                | <b>£</b>    | <b>£</b>    |

Details of capital commitments at the accounting date are as follows:

Contracted for but not provided in the financial statements

|           |   |
|-----------|---|
| 1,258,715 | - |
|-----------|---|

The company has contracted with Russells Limited for the design and build of a new factory and offices on the land purchased during the year at Stainburn Road, Openshaw, Manchester. The total contract value is £2,547,586 plus extras agreed of £106,272. The cost of the build to 31 December 2005 has been capitalised within these accounts.

**21. Related party transactions**

Included within debtors: amounts owed by group undertakings, is an amount of £35,060 (2004: £33,660) owed by Thos Storey Group Limited, the ultimate parent undertaking.

During the year dividends of £nil (2004: £500,000) have been paid to Thos Storey Group Limited.

Included within creditors: amounts owed to group undertakings, is an amount of £224,992 (2004: £389,085 debtor), of which £nil (2004: £188,947 debtor) is due after more than one year, owed to Thos Storey Fabrications Limited. Thos Storey Fabrications Limited is a subsidiary of Thos Storey Group Limited.

During the year the company has received rental income of £417,156 (2004: £417,157) and has paid interest of £4,170 (2004: £8,179 received) to Thos Storey Fabrications Limited.

Included within debtors: amounts owed by group undertakings, is an amount of £nil (2004: £109,681 creditor) owed by Walton Fabrications Limited. Walton Fabrications Limited is a subsidiary of Thos Storey Group Limited.

During the year the company has received rental income of £129,648 (2004: £129,647) and interest of £748 (2004: £49) from Walton Fabrications Limited.

Included within debtors: amounts owed by connected companies is an amount of £3,417 (2004: £29,660) owed by Lloyds International Limited. Lloyds International Limited is controlled by the directors of this company.

During the year £nil (2004: £108,542) has been written off the loan account.

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

**22. Ultimate parent undertaking**

The ultimate parent company is Thos. Storey Group Limited, a company registered in England, company number 4955996. The parent company's accounts are available from the registered office: Standard Works, Station Road, Reddish, Stockport SK5 6ND.

**23. Post balance sheet events**

The company entered into a conditional sale agreement for the disposal of its freehold land and buildings, with Barratt Homes Limited. The sale agreement became unconditional on 28 April 2005. The sales price is £2,800,000 and the contract is due to be completed in April/May 2006. At this time the company will transfer its operations to a new purpose built facility in Openshaw, Manchester. Further information is given in notes 10,13 and 21.

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

**24. Gross cash flows**

|                                                               | <b>2005</b>        | <b>2004</b>      |
|---------------------------------------------------------------|--------------------|------------------|
|                                                               | <b>£</b>           | <b>£</b>         |
| <b>Returns on investments and servicing of finance</b>        |                    |                  |
| Interest received                                             | 10,130             | 8,228            |
| Interest paid                                                 | (148,475)          | (85,612)         |
|                                                               | <u>(138,345)</u>   | <u>(77,384)</u>  |
| <b>Taxation</b>                                               |                    |                  |
| Corporation tax paid                                          | (87,467)           | -                |
| <b>Capital expenditure</b>                                    |                    |                  |
| Payments to acquire tangible assets                           | (3,271,144)        | -                |
| Receipts from sales of tangible assets                        | 11,461             | -                |
|                                                               | <u>(3,259,683)</u> | <u>-</u>         |
| <b>Acquisitions and disposals</b>                             |                    |                  |
| Net overdrafts disposed of on re-organisation                 | -                  | 399,411          |
|                                                               | <u>-</u>           | <u>399,411</u>   |
| <b>Financing</b>                                              |                    |                  |
| New long term bank loan                                       | 3,339,396          | 600,000          |
| Repayment of long term bank loan                              | (888,818)          | (590,217)        |
| Capital element of finance leases and hire purchase contracts | (246,602)          | (259,310)        |
|                                                               | <u>2,203,976</u>   | <u>(249,527)</u> |

**Thos Storey Property Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2005**

..... continued

**25. Analysis of changes in net debt**

|                                            | <b>Opening<br/>balance</b> | <b>Cash<br/>flows</b>     | <b>Other<br/>changes</b> | <b>Closing<br/>balance</b> |
|--------------------------------------------|----------------------------|---------------------------|--------------------------|----------------------------|
|                                            | <b>£</b>                   | <b>£</b>                  | <b>£</b>                 | <b>£</b>                   |
| Cash at bank and in hand                   | -                          | 245,573                   |                          | 245,573                    |
| Overdrafts                                 | (5,169)                    | 2,819                     |                          | (2,350)                    |
|                                            | <u>(5,169)</u>             | <u>248,392</u>            |                          | <u>243,223</u>             |
| Debt due within one year                   | (25,445)                   | 888,818                   | (2,096,519)              | (1,233,146)                |
| Debt due after one year                    | (557,123)                  | (3,339,396)               | 2,096,519                | (1,800,000)                |
| Finance leases and hire purchase contracts | (468,288)                  | 246,602                   | -                        | (221,686)                  |
|                                            | <u>(1,050,856)</u>         | <u>(2,203,976)</u>        | <u>-</u>                 | <u>(3,254,832)</u>         |
| <b>Net debt</b>                            | <u><u>(1,056,025)</u></u>  | <u><u>(1,955,584)</u></u> | <u><u>-</u></u>          | <u><u>(3,011,609)</u></u>  |