

Pikedawn Limited

Directors' report and financial statements

for the year ended 31 December 2003

Registered number 3377310



Pikedawn Limited

Directors' report and financial statements

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Pikedawn Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2003.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Principal activity

The principal activity of the company is that of property development.

Directors and their interests

The directors who served during the year were as follows:

JM Fickling
AD Kennan

None of the directors held any beneficial interest in the share capital of the company. The interest of the directors in the shares of the ultimate parent company are disclosed in that company's financial statements.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that The Charlton Williamson Partnership 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 small companies.

This report was approved by the board on 26 October 2004 and signed on its behalf by

Director





CHARTERED ACCOUNTANTS
77 Osborne Road, Jesmond, Newcastle upon Tyne NE2 2AN
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Independent auditors' report to the shareholders of Pikedawn Limited

We have audited the financial statements of Pikedawn Limited for the year ended 31 December 2003 on pages 3 to 8. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of directors responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The Charlton Williamson Partnership

*Chartered Accountants and
Registered Auditors*

26 October 2004

Pikedawn Limited

Profit and loss account

for the year ended 31 December 2003

		2003	2002
	Notes	£	£
Turnover - continuing operations	2	8,185,000	-
Cost of sales		(6,744,982)	-
Gross profit		1,440,018	-
Administrative expenses		(53,875)	(534,818)
Operating profit/(loss) - continuing operations	3	1,386,143	(534,818)
Interest receivable		7	309
Interest payable and similar charges	4	(129)	(34,482)
Profit/(loss) on ordinary activities before taxation		1,386,021	(568,991)
Taxation	5	(292,891)	292,891
Retained profit/(loss) for the financial year	11	1,093,130	(276,100)

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

The notes on pages 5 to 8 form an integral part of these financial statements.

Pikedawn Limited

Balance sheet

at 31 December 2003

	Notes	£	2003 £	£	2002 £
Current assets					
Stocks		-		6,183,714	
Debtors	6	150,000		342,044	
Cash at bank and in hand		3,338		953	
		<u>153,338</u>		<u>6,526,711</u>	
Creditors: amounts falling due within one year	7	<u>(385,040)</u>		<u>(7,851,543)</u>	
Net current liabilities			<u>(231,702)</u>		<u>(1,324,832)</u>
Total assets less current liabilities			<u>(231,702)</u>		<u>(1,324,832)</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		<u>(231,704)</u>		<u>(1,324,834)</u>
Equity shareholders' funds	11		<u>(231,702)</u>		<u>(1,324,832)</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The financial statements were approved by the board on 26 October 2004 and signed on its behalf by

Director



Pikedawn Limited

Notes to the financial statements

for the year ended 31 December 2003

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

Notwithstanding the deficiency of shareholders' funds, the financial statements have been prepared on a going concern basis. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Stock

Work in progress is valued at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3	Operating profit/(loss)	2003	2002
		£	£

Operating profit/(loss) is stated after charging:

Auditors' remuneration	1,000	1,000
Directors' remuneration	-	-
	<u> </u>	<u> </u>

4	Interest payable and similar charges	2003	2002
		£	£

On bank loans and overdrafts	<u>129</u>	<u>34,482</u>
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Pikedawn Limited

Notes to the financial statements

for the year ended 31 December 2003

5 Taxation

Analysis of charge in period	2003 £	2002 £
Current tax		
Total current tax charge	-	-
Deferred tax		
Timing differences, origination and reversal	292,891	(292,891)
Total deferred tax	292,891	(292,891)
Tax on profit on ordinary activities	292,891	(292,891)

Factors affecting tax charge for period

	2003 £	2002 £
Profit/(loss) on ordinary activities before taxation	1,386,021	(568,991)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2002 : 20%)	415,806	(113,798)
Offset against losses brought forward	(415,806)	-
Group relief surrendered not paid	-	133
Tax losses not utilised	-	113,665
Current tax charge for period	-	-

6 Debtors

	2003 £	2002 £
Other debtors	150,000	45,426
Deferred taxation (note 8)	-	292,891
Prepayments and accrued income	-	3,727
	150,000	342,044

Pikedawn Limited

Notes to the financial statements

for the year ended 31 December 2003

7	Creditors: amounts falling due within one year	2003 £	2002 £
	Trade creditors	21,378	364,311
	Amounts owed to parent undertaking	350,378	6,951,110
	Other creditors	-	531,602
	Accruals and deferred income	13,284	4,520
		<u>385,040</u>	<u>7,851,543</u>

8 Provision for liabilities and charges

	Deferred taxation £	Total £
At beginning of year	292,891	292,891
Movements in the year	<u>(292,891)</u>	<u>(292,891)</u>
At end of year	<u>-</u>	<u>-</u>

Deferred tax is analysed over the following timing difference:

	Amount provided 2003 £	2002 £
Tax losses carried forward	<u>-</u>	<u>(292,891)</u>

9	Share capital	2003 £	2002 £
	<i>Authorised equity</i>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<i>Allotted, called up and fully paid equity</i>		
	2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

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Notes to the financial statements

for the year ended 31 December 2003

10	Reserves	Profit and loss account £	Total £
	At beginning of year	(1,324,834)	(1,324,834)
	Retained profit for the year	1,093,130	1,093,130
	At end of year	<u>(231,704)</u>	<u>(231,704)</u>

11	Reconciliation of movements in shareholders' funds	2003 £	2002 £
	Profit/(loss) for the year	1,093,130	(276,100)
	Opening deficiency of shareholders' funds	<u>(1,324,832)</u>	<u>(1,048,732)</u>
	Closing deficiency of shareholders' funds	<u>(231,702)</u>	<u>(1,324,832)</u>

12 Related party transactions

Included in creditors is a loan of £nil (2002: £6,951,110) from the parent undertaking. During the year the company incurred management charges of £nil (2002: £404,620) to K & F Developments Limited, of which the directors are A D Kennan and J M Fickling. On 21 January 2004 the company was placed in a members voluntary liquidation.

During the year Pikedawn Limited repaid a loan of £35,000 from Peaklaw Limited, a company in which J M Fickling was a director. Peaklaw Limited entered into voluntary liquidation on 20 June 2003.

13 Ultimate parent undertaking

During the year the company's ultimate parent undertaking was K & F Developments Limited, a company registered in England.