

SC 51321

ICA Estates Limited

Report and Financial Statements

Year Ended

31 March 2003



BDO Stoy Hayward
Chartered Accountants

ICA ESTATES LIMITED

Annual report and financial statements for the year ended 31 March 2003

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Directors

H Rosenblatt
L Rosenblatt

Secretary and registered office

L Rosenblatt, 56 Palmerston Place, Edinburgh, EH12 5AY.

Company number

SC51321

Auditors

BDO Stoy Hayward, Prospect Place, 85 Great North Road, Hatfield, Herts AL9 5BS

ICA ESTATES LIMITED

Report of the directors for the year ended 31 March 2003

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

Principal activities, trading review and future developments

The principal activity of the company is property dealing. The directors anticipate similar results in the company's financial position in the forthcoming year.

The profit and loss account is set out on page 4 and shows the profit for the year. The directors do not recommend the payment of a dividend (2002 : nil).

There have been no events since the balance sheet date which materially affect the position of the company.

Directors

The directors of the company during the year were:

H Rosenblatt
L Rosenblatt

No director had any interest in the ordinary shares of the company.

Both H Rosenblatt and L Rosenblatt are also directors of the ultimate parent undertaking, ICA (Holdings) Limited, and their interests in the share capital of that company are shown in its financial statements.

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 affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

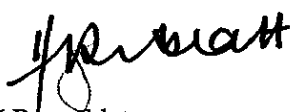
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BDO Stoy Hayward have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board


H Rosenblatt
Director

Date: 10th June 2003

Report of the independent auditors

To the shareholders of ICA Estates Limited

We have audited the financial statements of ICA Estates Limited for the year ended 31 March 2003 on pages 4 to 10 which have been prepared under the accounting policies set out on page 7.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

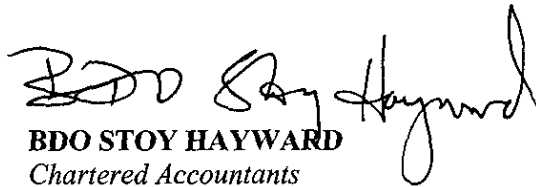
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

ICA ESTATES LIMITED

Report of the independent auditors (*Continued*)

Opinion

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

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', is written over the printed name.

BDO STOY HAYWARD

Chartered Accountants

and Registered Auditors

Hatfield

Date 10 June 2003

ICA ESTATES LIMITED**Profit and loss account for the year ended 31 March 2003**

	Note	2003 £	2002 £
Turnover		-	-
Direct costs		-	-
Gross profit		-	-
Administrative expenses		(3,155)	(10,909)
Other operating income	2	6,281	6,299
Profit/(loss) on ordinary activities before and after taxation	3	3,126	(4,610)
Retained losses brought forward		(1,110,035)	(1,105,425)
Retained losses carried forward		(1,106,909)	(1,110,035)

All amounts relate to continuing activities.

The company has no recognised gains and losses other than the profit/(loss) for the year.

The notes on pages 7 to 10 form part of these financial statements.

ICA ESTATES LIMITED**Reconciliation of movements in shareholders' funds for the year ended 31 March 2003**

	2003	2002
	£	£
Reconciliation of movements in shareholders' deficit		
Profit/(Loss) for the year	3,126	(4,610)
Opening shareholders' deficit	(1,109,935)	(1,105,325)
Closing shareholders' deficit	(1,106,809)	(1,109,935)

The notes on pages 7 to 10 form part of these financial statements.

ICA ESTATES LIMITED

Balance sheet at 31 March 2003

	Note	2003 £	2002 £
Current assets			
Stocks	7	25,921	25,921
Debtors - falling due after one year	8	1,799,543	1,587,431
		<u>1,825,464</u>	<u>1,613,352</u>
Creditors: amounts falling due after more than one year	9	(2,932,273)	(2,723,287)
Net liabilities		<u>(1,106,809)</u>	<u>(1,109,935)</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		(1,106,909)	(1,110,035)
Shareholders' deficit - equity		<u>(1,106,809)</u>	<u>(1,109,935)</u>

The financial statements were approved by the Board on

10 June 2003



H Rosenblatt
Director

The notes on pages 7 to 10 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. In preparing these financial statements the company has adopted Financial Reporting Standards 18 "Accounting Policies" and 19 "Deferred Tax" for the first time. The adoption of FRS 18 and FRS 19 has had no impact on the results of the company for the current year or the prior year, but have given rise to additional disclosures in note 6.

The following principal accounting policies have been applied:

Turnover

Turnover represents sale proceeds of the company's properties, all of which are located within the United Kingdom.

Stocks

Stocks, comprising properties for resale, are stated at the lower of cost and the directors' estimate of realisable value. Profits on sales of properties are taken only when legal title passes.

Continuing Support

The directors consider it appropriate to adopt the going concern basis because the parent company has agreed to ensure that sufficient funds are made available to enable the company to continue to trade and to meet its liabilities as they fall due.

Pension Costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

FRS 19 'Deferred Taxation' applies for the first time to these financial statements. However, the resulting change in accounting policy did not have a material effect on the results of the previous year, and, accordingly, no prior year adjustment has been made.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet except that:

- deferred tax is not recognised on timing differences arising on re-valued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of roll-over relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

ICA ESTATES LIMITED**Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)**

2 Other operating income	2003 £	2002 £
Gross rents receivable	7,614	7,325
Less: Direct property outgoings	(1,333)	(1,026)
	<u> </u>	<u> </u>
Net rents	<u>6,281</u>	<u>6,299</u>

3 Profit/(loss) on ordinary activities

Auditors' remuneration is accounted for on a group basis.

4 Employees	2003 £	2002 £
Staff costs consist of:		
Wages and salaries	90,601	341,681
Social security costs	8,521	34,980
	<u> </u>	<u> </u>
	<u>99,122</u>	<u>376,661</u>

The average number of employees, including the directors during the year was 3 (2002 –3).

5 Directors	2003 £	2002 £
Directors' emoluments consist of:		
Remuneration for management services	83,300	333,813
	<u> </u>	<u> </u>
Emoluments of the highest paid director:		
Emoluments	63,300	280,480
	<u> </u>	<u> </u>
Payments to defined contribution pension scheme.		
Amounts paid to the company's defined contribution pension scheme	150,000	105,000
	<u> </u>	<u> </u>

There was 1 (2002 : 1) director in the company's defined contribution pension scheme during the year.

ICA ESTATES LIMITED

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

6	Taxation	2003 £	2002 £
	<i>UK corporation tax</i>		
	Current taxation on profit of the year	-	-
		<u> </u>	<u> </u>
	The tax assessed for the year is lower/higher than the standard rate of corporation tax in the UK.		
	The differences are explained below:	2003 £	2002 £
	Profit/(loss) on ordinary activities before tax	3,126	(4,610)
		<u> </u>	<u> </u>
	Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (200 : 20%)	594	(922)
	Effects of:		
	Group relief claimed	(214)	-
	Trading losses carried forward	-	922
	Marginal relief	(380)	-
		<u> </u>	<u> </u>
	Current tax charge for period	-	-
		<u> </u>	<u> </u>
7	Stocks	2003 £	2002 £
	Investment properties held for resale	25,921	25,921
		<u> </u>	<u> </u>
	There is no material difference between the replacement cost of stocks and the amounts stated above.		
8	Debtors	2003 £	2002 £
	Due by fellow subsidiary undertakings	1,799,543	1,587,431
		<u> </u>	<u> </u>
	The amount shown in debtors in 2003 falls due after more than one year (2002: £nil).		
9	Creditors: amounts falling due after more than one year	2003 £	2002 £
	Due to parent undertaking	2,497,359	2,288,373
	Due to fellow subsidiary undertakings	434,914	434,914
		<u> </u>	<u> </u>
		2,932,273	2,723,287
		<u> </u>	<u> </u>

ICA ESTATES LIMITED

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

9 Creditors: amounts falling due after more than one year (Continued)

The ICA (Holdings) Limited group (see note 12) have joint banking arrangements and the bank overdraft facility of £1million is secured over the majority of the investment properties owned by the ICA (Holdings) Limited group.

There are no specified terms under which amounts owed to group undertakings are advanced. The relevant companies have, however, confirmed that repayment of the amounts noted above will not be requested in the coming year.

10 Share capital

	Authorised		Allotted, called up and fully paid	
	2003	2002	2003	2002
	£	£	£	£
Ordinary shares of £1 each	100	100	100	100

11 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. The charge was £150,000 (2002 : £105,000). There were no outstanding or prepaid contributions at either 31 March 2003 or 2002.

12 Ultimate parent company and ultimate controlling party

At 31 March 2003 the company's ultimate controlling party was ICA (Holdings) Limited which is the parent of the largest group of which the company is a member. International Caledonian Assets Limited is the parent of the smallest group of which the company is a member.

Copies of the consolidated financial statements of ICA (Holdings) Limited and International Caledonian Assets Limited are available from Companies House.

At 31 March 2003 the company's ultimate controlling party was H Rosenblatt, a director of the company.

13 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is qualifies as a small company.

14 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard No. 8 'Related Party Transactions', not to disclose any transactions with entities that are included in the consolidated financial statements of ICA (Holdings) Limited.