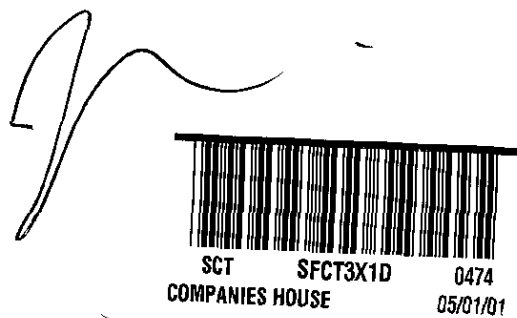


**BRAISHFIELD MANOR ESTATE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JULY 2000**



Company No. 59221

# **BRAISHFIELD MANOR ESTATE LIMITED**

## **COMPANY INFORMATION**

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|                          |                                                                                                                                          |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>         | A.A. Dunn, LL.B<br>S.P. Dunn                                                                                                             |
| <b>Secretary</b>         | S.P. Dunn                                                                                                                                |
| <b>Company Number</b>    | 59221                                                                                                                                    |
| <b>Registered Office</b> | 1 Royal Terrace<br>Edinburgh<br>EH7 5AD                                                                                                  |
| <b>Auditors</b>          | Scott Oswald<br>Chartered Accountants<br>1 Royal Terrace<br>Edinburgh<br>EH7 5AD                                                         |
| <b>Solicitors</b>        | McGrigor Donald<br>Pacific House<br>70 Wellington Street<br>Glasgow<br>G2 6SB<br><br>Fairmays<br>10 Babmaes Street<br>London<br>SW1Y 6HD |
| <b>Bankers</b>           | Bank of Scotland<br>Polmont Branch<br>Brightons<br>Falkirk<br>FK2 0TU                                                                    |

# **BRAISHFIELD MANOR ESTATE LIMITED**

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# BRAISHFIELD MANOR ESTATE LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST JULY 2000

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The directors present their report together with the audited financial statements for the year ended 31st July 2000.

### Principal Activities

The company's principal activity continued to be that of property investors and farming.

### Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

|                                               | <b>"A" Ordinary Shares</b>    |                                | <b>"B" Ordinary Shares</b>    |                                |
|-----------------------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|
|                                               | <b>31st<br/>July<br/>2000</b> | <b>1st<br/>August<br/>1999</b> | <b>31st<br/>July<br/>2000</b> | <b>1st<br/>August<br/>1999</b> |
| A.A. Dunn, LL.B                               | -                             | -                              | 25,600                        | 25,600                         |
| S.P. Dunn                                     | -                             | -                              | 3,200                         | 3,200                          |
| D.G. Anderson, M.B.A, C.A. (Resigned 30.4.00) | -                             | -                              | -                             | -                              |

The interests of A.A. Dunn and S.P. Dunn in the share capital of the parent undertaking, Thornwood Investments Limited, are disclosed in that company's financial statements. D.G. Anderson held no shares in that company.

### 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 company's affairs and of the profit or loss for that year. In preparing these 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;

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 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.

### Small company exemptions

The Directors Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved by the board on 7th December 2000, and signed on its behalf by



S.P. Dunn, Secretary  
7th December 2000

# AUDITORS' REPORT TO THE SHAREHOLDERS OF

## BRAISHFIELD MANOR ESTATE LIMITED

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We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

### Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

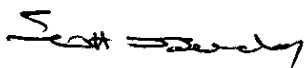
### Basis of Opinion

We conducted our audit in accordance with 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 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 the 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 31st July 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Scott Oswald  
Chartered Accountants and Registered Auditors  
1 Royal Terrace  
Edinburgh  
EH7 5AD  
Date: 21.12.00

# BRAISHFIELD MANOR ESTATE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST JULY 2000

|                                                      | Notes | 2000<br>£ | 1999<br>£ |
|------------------------------------------------------|-------|-----------|-----------|
| <b>Turnover</b>                                      | 2     | 388,885   | 355,709   |
| Cost of sales                                        |       | 328,230   | 285,540   |
| <b>Gross profit</b>                                  |       | 60,655    | 70,169    |
| Administrative expenses                              |       | 96,591    | 122,097   |
|                                                      |       | (35,936)  | (51,928)  |
| Other Operating Income                               |       | 13,175    | 12,939    |
| <b>Operating (loss)</b>                              | 3     | (22,761)  | (38,989)  |
| Interest receivable                                  |       | 2,830     | 9,197     |
| Interest Payable and Similar Charges                 |       | (18,786)  | (24,086)  |
| <b>(Loss) on ordinary activities before taxation</b> |       | (38,717)  | (53,878)  |
| Tax on (loss) on ordinary activities                 | 4     | (3,000)   | (17,000)  |
| <b>(Loss) for the Financial Year</b>                 | 11    | (35,717)  | (36,878)  |

All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 or 2000 other than those included in the profit and loss account.

# **BRAISHFIELD MANOR ESTATE LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 31ST JULY 2000**

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|                                                                     | <b>2000</b>     | <b>1999</b>      |
|---------------------------------------------------------------------|-----------------|------------------|
|                                                                     | <b>£</b>        | <b>£</b>         |
| <b>Statement of Total Recognised Gains and Losses</b>               |                 |                  |
| (Loss) for the financial year                                       | <b>(35,717)</b> | <b>(36,878)</b>  |
| Unrealised (deficit) on revaluations of freehold land and buildings | <b>-</b>        | <b>1,875,247</b> |
| Total recognised gains relating to the year                         | <b>(35,717)</b> | <b>1,838,369</b> |

# BRAISHFIELD MANOR ESTATE LIMITED

## BALANCE SHEET

AS AT 31ST JULY 2000

|                                                                | Notes | £       | 2000<br>£ | £       | 1999<br>£ |
|----------------------------------------------------------------|-------|---------|-----------|---------|-----------|
| <b>Fixed assets</b>                                            |       |         |           |         |           |
| Tangible assets                                                | 5     |         | 4,645,587 |         | 4,631,205 |
| <b>Current assets</b>                                          |       |         |           |         |           |
| Stocks                                                         |       | 221,918 |           | 266,773 |           |
| Debtors                                                        | 6     | 6,804   |           | 41,734  |           |
|                                                                |       | 228,722 |           | 308,507 |           |
| <b>Creditors: Amounts falling due within one year</b>          | 7     | 206,499 |           | 320,492 |           |
| <b>Net current assets/(liabilities)</b>                        |       |         | 22,223    |         | (11,985)  |
| <b>Total assets less current liabilities</b>                   |       |         | 4,667,810 |         | 4,619,220 |
| <b>Creditors: Amounts falling due after more than one year</b> | 8     |         | 1,550,000 |         | 1,465,693 |
|                                                                |       |         | 3,117,810 |         | 3,153,527 |
| <b>Capital and reserves</b>                                    |       |         |           |         |           |
| Share capital                                                  | 10    |         | 180,000   |         | 180,000   |
| Revaluation reserve                                            | 11    |         | 1,875,247 |         | 1,875,247 |
| Profit and loss account                                        | 11    |         | 1,062,563 |         | 1,098,280 |
| <b>Shareholders' funds</b>                                     | 12    |         | 3,117,810 |         | 3,153,527 |

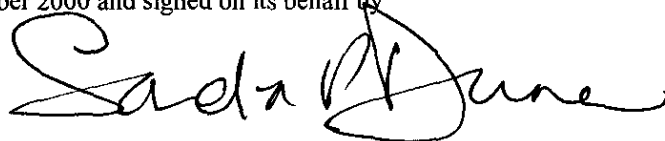
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 7th December 2000 and signed on its behalf by

A.A. Dunn, LL.B  
Director



S.P. Dunn  
Director



# BRAISHFIELD MANOR ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2000

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### 1 Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention except that certain freehold properties are shown at their revalued amounts.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

#### Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land and buildings over their expected useful lives. The rates and periods generally applicable are:

|                             |                      |
|-----------------------------|----------------------|
| Freehold land and buildings | Nil                  |
| Plant and machinery         | 10% straight line    |
| Motor vehicles              | 20% straight line    |
| Fixtures and fittings       | 20% reducing balance |

No provision has been made for the depreciation of freehold land and buildings as the directors are of the opinion that such provision would be inappropriate as the land and buildings are maintained in a good state of repair, are increasing in value and have a life expectancy in excess of fifty years.

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

### 2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

### 3 Operating (loss)

*The operating loss is arrived at after charging or crediting:*

|                                    | 2000   | 1999   |
|------------------------------------|--------|--------|
|                                    | £      | £      |
| Depreciation of owned assets       | 32,580 | 25,418 |
| (Loss) on disposal of fixed assets | -      | (436)  |
| Auditors' remuneration             | 6,000  | 7,750  |

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# BRAISHFIELD MANOR ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2000

### 4 Taxation

|                                  | 2000<br>£ | 1999<br>£ |
|----------------------------------|-----------|-----------|
| Based on the (loss) for the year |           |           |
| Deferred tax charge              | -         | (17,000)  |
|                                  | -         | (17,000)  |
| Prior periods                    |           |           |
| UK corporation tax               | (3,000)   | -         |
|                                  | (3,000)   | (17,000)  |

### 5 Tangible Fixed Assets

|                          | Freehold<br>land and<br>buildings<br>£ | Plant and<br>machinery<br>etc<br>£ | Total<br>£       |
|--------------------------|----------------------------------------|------------------------------------|------------------|
| <b>Cost or valuation</b> |                                        |                                    |                  |
| At 1st August 1999       | 4,500,000                              | 228,353                            | 4,728,353        |
| Additions                | 7,181                                  | 39,780                             | 46,961           |
| <b>At 31st July 2000</b> | <b>4,507,181</b>                       | <b>268,133</b>                     | <b>4,775,314</b> |
| <b>Depreciation</b>      |                                        |                                    |                  |
| At 1st August 1999       | -                                      | 97,147                             | 97,147           |
| Charge for the year      | -                                      | 32,580                             | 32,580           |
| <b>At 31st July 2000</b> | <b>-</b>                               | <b>129,727</b>                     | <b>129,727</b>   |
| <b>Net Book Value</b>    |                                        |                                    |                  |
| <b>At 31st July 2000</b> | <b>4,507,181</b>                       | <b>138,406</b>                     | <b>4,645,587</b> |
| <i>At 31st July 1999</i> | <i>4,500,000</i>                       | <i>131,206</i>                     | <i>4,631,206</i> |

### 6 Debtors

|                                | 2000<br>£ | 1999<br>£ |
|--------------------------------|-----------|-----------|
| Other debtors                  | 6,341     | 34,738    |
| Prepayments and accrued income | 463       | 6,996     |
|                                | 6,804     | 41,734    |

# BRAISHFIELD MANOR ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2000

| 7 | Creditors: Amounts Falling Due Within One Year | 2000           | 1999           |
|---|------------------------------------------------|----------------|----------------|
|   |                                                | £              | £              |
|   | Bank overdraft                                 | 101,694        | 256,594        |
|   | Trade creditors                                | 81,904         | 44,870         |
|   | Other creditors                                | 22,901         | 19,028         |
|   |                                                | <u>206,499</u> | <u>320,492</u> |

The bank overdraft is secured by a bond and floating charge over all of the company's assets.

| 8 | Creditors: Amounts Falling Due After One Year | 2000             | 1999             |
|---|-----------------------------------------------|------------------|------------------|
|   |                                               | £                | £                |
|   | Amounts owed to parent undertaking            | <u>1,550,000</u> | <u>1,465,693</u> |

### 9 Deferred Taxation

The movements in deferred taxation during the current and previous years are as follows:

|                      | 2000     | 1999     |
|----------------------|----------|----------|
|                      | £        | £        |
| At 1st August 1999   | -        | 17,000   |
| Movement in the year | -        | (17,000) |
| At 31st July 2000    | <u>-</u> | <u>-</u> |

| 10 | Share Capital                                                                | 2000           | 1999           |
|----|------------------------------------------------------------------------------|----------------|----------------|
|    |                                                                              | £              | £              |
|    | <b>Authorised</b>                                                            |                |                |
|    | 100,000 "A" Ordinary shares of £1.00 each                                    | 100,000        | 100,000        |
|    | 100,000 "B" Ordinary shares of £1.00 each                                    | 100,000        | 100,000        |
|    |                                                                              | <u>200,000</u> | <u>200,000</u> |
|    | <b>Allotted</b>                                                              |                |                |
|    | 100,000 Allotted, called up and fully paid "A" ordinary shares of £1.00 each | 100,000        | 100,000        |
|    | 80,000 Allotted, called up and fully paid "B" ordinary shares of £1.00 each  | 80,000         | 80,000         |
|    |                                                                              | <u>180,000</u> | <u>180,000</u> |

At any general meeting of the Company "B" ordinary shares shall have two votes on a show of hands or a poll.

# BRAISHFIELD MANOR ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2000

### 11 Reserves

|                          | Revaluation<br>Reserve | Profit<br>and Loss<br>Account |
|--------------------------|------------------------|-------------------------------|
|                          | £                      | £                             |
| At 1st August 1996       | -                      | 1,135,158                     |
| Profit for the year      | -                      | (36,878)                      |
| Transfers on revaluation | 1,875,247              | -                             |
| At 1st August 1999       | 1,875,247              | 1,098,280                     |
| Loss for the year        | -                      | (35,717)                      |
| At 31st July 2000        | 1,875,247              | 1,062,563                     |

### 12 Reconciliation of Shareholders' Funds

|                                                | 2000      | 1999      |
|------------------------------------------------|-----------|-----------|
|                                                | £         | £         |
| (Loss) for the financial year                  | (35,717)  | (36,878)  |
| Other recognised gains and losses              | -         | 1,875,247 |
| (Decrease)/Increase in the shareholders' funds | (35,717)  | 1,838,369 |
| Opening shareholders' funds                    | 3,153,527 | 1,315,158 |
| Closing shareholders' funds                    | 3,117,810 | 3,153,527 |

### 13 Ultimate Parent Undertaking

In the directors' opinion the company's ultimate parent company and controlling party is Thornwood Investments AG which is registered in Switzerland.