

REGISTERED

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**Greatcoat Limited**

(formerly Greatcoat Plc)

Report and Financial Statements

Year Ended

31 March 2006



**Greatcoat Limited**

**Annual report and financial statements for the year ended 31 March 2006**

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**Directors**

M A Joyce  
C J G Hall

**Secretary and registered office**

M A Joyce, 1 City Square, Leeds. LS1 2DP.

**Company number**

451454

**Auditors**

BDO Stoy Hayward LLP, 1 City Square, Leeds, LS1 2DP

**Business address**

Low Hall, Curly Hill, Middleton, Ilkley. LS29 0AQ.

**Bankers**

Clydesdale Bank Plc, 30 St Vincent Place, Glasgow, Scotland. G1 2HL.

## Greatcoat Limited

### Report of the directors for the year ended 31 March 2006

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The directors present their report together with the audited financial statements for the year ended 31 March 2006.

#### Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

#### Principal activities, review of business and future developments

The company's principal activity is that of property investment and development.

On 16 November 2005 the company de-registered from being a public limited company and changed its name from Greatcoat Plc to Greatcoat Limited.

During the year the company purchased 2,729,312 of its own Ordinary 10p shares for a total consideration of £483,088. These shares were then cancelled.

At at 31 March 2006 2 minority shareholders held 20,600 shares, representing 0.3% of the issued share capital. Negotiations are underway for the company to repurchase these shares.

#### Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

		Ordinary shares of 10p each	
		31 March 2006	1 April 2005
T Barker FCA	(resigned 30 June 2006)	-	100,000
M A Joyce		6,555,063	6,552,488
C J G Hall		-	-

The director who retires by rotation, C J Hall, being eligible, offers himself for re-election in accordance with the Articles of Association.

**Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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

**On behalf of the board**

  
M A Joyce

**Director**

11 October 2006

**To the shareholders of Greatcoat Limited**

We have audited the financial statements of Greatcoat Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

*Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*BDO Stoy Hayward LLP*  
**BDO STOY HAYWARD LLP**  
*Chartered Accountants*  
*and Registered Auditors*  
Leeds

Date: 11 October 2006

**Greatcoat Limited****Profit and loss account for the year ended 31 March 2006**

	Note	2006 £	2005 £
Turnover	2	114,048	114,048
Cost of sales		-	(250)
<b>Gross profit</b>		<b>114,048</b>	<b>114,298</b>
Administrative expenses		61,548	20,158
<b>Operating profit</b>	3	<b>52,500</b>	94,140
Profit on disposal of fixed assets		-	634,425
<b>Profit on ordinary activities before interest and other income</b>		<b>52,500</b>	<b>728,565</b>
Other interest receivable and similar income		57,040	49,032
<b>Profit on ordinary activities before taxation</b>		<b>109,540</b>	<b>777,597</b>
Taxation on profit on ordinary activities	4	45,250	331,767
<b>Profit on ordinary activities after taxation</b>		<b>64,290</b>	<b>445,830</b>

*All amounts relate to continuing activities.*

The notes on pages 9 to 14 form part of these financial statements.

**Greatcoat Limited**

**Statement of total recognised gains and losses and note of historical cost profits and losses for the year ended 31 March 2006**

	2006 £	2005 £
<b>Statement of total recognised gains and losses</b>		
Profit for the financial year	64,290	445,830
Unrealised surplus on revaluation of properties	-	110,000
	<hr/>	<hr/>
<b>Total recognised gains and losses for the financial year</b>	<b>64,290</b>	<b>555,830</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Note of historical cost profits and losses</b>		
	2006 £	2005 £
Reported profit on ordinary activities before taxation	109,540	777,597
Realisation of property revaluation gains of previous years	-	40,776
	<hr/>	<hr/>
<b>Historical cost profit on ordinary activities before taxation</b>	<b>109,540</b>	<b>818,373</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Retained historical cost profit for the year after taxation and dividends</b>	<b>64,290</b>	<b>486,606</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 14 form part of these financial statements.

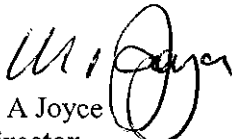


**Greatcoat Limited**

**Balance sheet at 31 March 2006**

	Note	2006 £	2006 £	2005 £	2005 £
<b>Fixed assets</b>					
Tangible assets	5		961,251		961,251
<b>Current assets</b>					
Debtors	6	33,502		33,502	
Cash at bank and in hand		776,545		1,350,169	
			<u>810,047</u>	<u>1,383,671</u>	
<b>Creditors: amounts falling due within one year</b>	7	130,180		285,005	
				<u>679,867</u>	1,098,666
<b>Net current assets</b>					
			<u>1,641,118</u>		2,059,917
<b>Total assets less current liabilities</b>					
<b>Provision for liabilities and charges</b>	8		127,054		127,054
			<u>1,514,064</u>		<u>1,932,863</u>
<b>Capital and reserves</b>					
Called up share capital	9		657,566		930,497
Share premium account	10		11,250		11,250
Revaluation reserve	10		77,000		77,000
Capital redemption reserve	10		282,931		10,000
Profit and loss account	10		485,317		904,116
			<u>1,514,064</u>		<u>1,932,863</u>
<b>Shareholders' funds</b>	11				
			<u>1,514,064</u>		<u>1,932,863</u>

The financial statements were approved by the board of directors and authorised for issue on 11 October 2006.

  
 M A Joyce  
 Director

The notes on pages 9 to 14 form part of these financial statements.

**Greatcoat Limited****Cash flow statement for the year ended 31 March 2006**

	Note	2006 £	2006 £	2005 £	2005 £
<b>Net cash inflow from operating activities</b>	13		57,138		79,008
<b>Returns on investments and servicing of finance</b>					
Interest received			57,040		49,032
<b>Taxation</b>					
Corporation tax paid			(204,713)		-
<b>Capital expenditure and financial investment</b>					
Receipts from sale of tangible fixed assets			-		750,000
<b>Cash (outflow)/inflow before financing</b>			(90,535)		878,040
<b>Financing</b>					
Share capital redeemed		(272,931)		-	
Purchase of own shares		(210,158)		-	
<b>Net cash outflow from financing</b>			(483,089)		-
<b>(Decrease)/increase in cash</b>	14		(573,624)		878,040

The notes on pages 9 to 14 form part of these financial statements.

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investment properties and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

### *Turnover*

Turnover represents rents and service charges receivable net of VAT.

### *Investment properties*

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

### *Deferred taxation*

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

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has decided in principle to dispose of the asset; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

## 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

**3 Operating profit**

	2006 £	2005 £
This is arrived at after charging/(crediting):		
Profit on disposal of tangible fixed assets	-	(634,425)
Audit services	1,900	1,500
Non-audit services	-	2,200
	<u>          </u>	<u>          </u>

**4 Taxation on profit on ordinary activities**

	2006 £	2005 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	45,250	204,713
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	127,054
	<u>          </u>	<u>          </u>
Taxation on profit on ordinary activities	<u>45,250</u>	<u>331,767</u>

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

	2006 £	2005 £
Profit on ordinary activities before tax	109,540	777,597
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2005 - 30%)	32,862	233,279
Effect of:		
Expenses not deductible for tax purposes	13,997	800
Capital allowances for period in excess of depreciation	(698)	(930)
Other	(911)	3,354
Prior period loan interest now relieved	-	(31,790)
	<u>          </u>	<u>          </u>
Current tax charge for period	<u>45,250</u>	<u>204,713</u>

## 5 Tangible fixed assets

	Investment properties £
<i>Cost or valuation</i>	
At 1 April 2005 and 31 March 2006	961,251
	<u>          </u>

The company's principal investment property was valued on 28 January 2005 by Dunlop Heywood Lorenz, Chartered Surveyors. The basis of the valuation was market value, and the valuation was carried out in accordance with the RICS Appraisal and Valuation Manual. The amount of the valuation was £960,000. In the opinion of the directors this was the market value as at 31 March 2006.

## 6 Debtors

	2006 £	2005 £
Trade debtors	33,502	33,502
	<u>          </u>	<u>          </u>

All amounts shown under debtors fall due for payment within one year.

## 7 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	1,769	-
Corporation tax	45,250	204,713
Other taxation and social security	4,149	4,081
Other creditors	49,000	19,000
Accruals and deferred income	30,012	57,211
	<u>          </u>	<u>          </u>
	130,180	285,005
	<u>          </u>	<u>          </u>

## 8 Provision for liabilities and charges

	Deferred taxation £	
At 31 March 2005 and 31 March 2006	127,054	
<i>Deferred taxation</i>		
	2006	2005
	£	£
Potential capital gain on revalued property	127,054	127,054

## 9 Share capital

	2006 £	Authorised 2005 £	Allotted, called up and fully paid	
			2006 £	2005 £
<i>Equity share capital</i>				
Ordinary shares of 10p each	1,500,000	1,500,000	657,566	930,497
			<b>Ordinary shares of 10p each</b>	
			Number	£
In issue at 1 April 2005			9,304,975	930,497
Purchase of own shares			(2,729,312)	(272,931)
In issue at 31 March 2006			6,575,663	657,566

## 10 Reserves

	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 April 2005	11,250	77,000	10,000	904,116
Profit for the year	-	-	-	64,290
Purchase of own shares	-	-	-	(210,158)
Transfers	-	-	272,931	(272,931)
At 31 March 2006	11,250	77,000	282,931	485,317

**11 Reconciliation of movements in shareholders' funds**

	2006 £	2005 £
Profit for the year	64,290	445,830
Other net recognised gains and losses relating to the year	-	110,000
Shares redeemed	(272,931)	-
Purchase of own shares	(210,158)	-
	<hr/>	<hr/>
Net (deductions from)/additions to shareholders' funds	(418,799)	555,830
Opening shareholders' funds	1,932,863	1,377,033
	<hr/>	<hr/>
Closing shareholders' funds	1,514,064	1,932,863
	<hr/> <hr/>	<hr/> <hr/>

**12 Related party disclosures***Controlling parties*

The company is controlled by M A Joyce, who has a beneficial interest in 6,555,063 shares.

*Related party transactions and balances*

During the year Rookwood (a business owned by C J G Hall) rendered charges at arms length in connection with management services amounting to £2,000 (2005: £3,000). At 31 March 2006 £nil was outstanding (2005: £25,000).

During the year T Barker Chartered Accountants (previously T Barker Management Services (a company partly owned by T Barker)) rendered charges at arms length in connection with management services amounting to £6,000 (2005: £6,000).

During the year Ratefield Limited (a company controlled by M A Joyce) rendered management charges of £30,000 (2005: nil). At 31 March 2006 this was outstanding (2005: nil)

**13 Reconciliation of operating profit to net cash inflow from operating activities**

	2006 £	2005 £
Operating profit	82,500	728,565
Exceptional items included in operating profit	-	(634,425)
	<hr/>	<hr/>
Operating profit before exceptional items	82,500	94,140
Profit on sale of tangible fixed assets	-	(634,425)
Decrease in debtors	-	21,483
(Decrease)/Increase in creditors	(25,362)	(11,710)
Costs included within profit on sale of tangible fixed assets	-	(24,905)
	<hr/>	<hr/>
Cash inflow relating to exceptional items	57,138	(555,417)
	-	634,425
	<hr/>	<hr/>
Net cash inflow from operating activities	57,138	79,008
	<hr/> <hr/>	<hr/> <hr/>

**14 Reconciliation of net cash flow to movement in net funds**

	2006 £	2005 £
(Decrease)/increase in cash	(573,624)	878,040
	<hr/>	<hr/>
Movement in net funds	(573,624)	878,040
Opening net funds	1,350,169	472,129
	<hr/>	<hr/>
Closing net funds	776,545	1,350,169
	<hr/> <hr/>	<hr/> <hr/>

**15 Analysis of net funds**

	At 1 April 2005 £	Cash flow £	At 31 March 2006 £
Cash at bank and in hand	1,350,169	(573,624)	776,545
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>