

13.6.2004

Company Registration No. 451454 (England and Wales)

GREATCOAT PLC
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

JOHN GORDON WALTON & CO.



A43
COMPANIES HOUSE

A5WTHZ6U

0360
08/10/04

GREATCOAT PLC

COMPANY INFORMATION

Directors T Barker FCA (Chairman)
M A Joyce
C J G Hall

Secretary M A Joyce

Company number 451454

Registered office Yorkshire House
Greek Street
Leeds
LS1 5ST

Auditors John Gordon Walton & Co
Yorkshire House
Greek Street
Leeds
LS1 5ST

Business address Low Hall
Curly Hill
Middleton
Ilkley
LS29 0AQ

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

GREATCOAT PLC

CONTENTS

	Page
Chairman's statement	1
Directors' report	2 - 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 13

GREATCOAT PLC

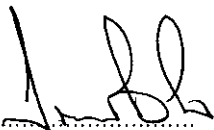
CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

I am pleased to present for you the Directors' report and Financial Statements for the year ended 31 March 2004.

For the year ended 31 March 2004 the company made a profit before interest paid and taxation of £100,386 (2003: £341,473). Interest paid was £352 (2003: £32,418) leaving a profit for the year before tax of £115,033 (2003: £319,996).

We have now completed the sale of the Glossop property for £750,000 which realises a profit over book value of £650,000 less costs which is, of course, subject to taxation. This sale will leave us holding only the Jarrow property which we hope to sell early next year.

Concurrent with the selling process for the Jarrow site your directors will be taking advice as to how best to distribute the company's assets which will by then consist entirely of cash.



.....
T Barker
Chairman
.....

GREATCOAT PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report and financial statements for the year ended 31 March 2004.

Principal activities and review of the business

The principal activity of the company was that of property investment and development.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Results and dividends

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

Directors

The following directors have held office since 1 April 2003:

T Barker
M A Joyce
C J G Hall

In accordance with the company's Articles of Association, C J G Hall retires by rotation and, being eligible, offers himself for re-election.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 10p each	
	31 March 2004	1 April 2003
T Barker	100,000	100,000
M A Joyce	6,536,488	6,536,488
C J G Hall	-	-

Creditor payment policy

It is not the company's policy to follow any standard or code on payment practice. However, the company will continue to seek to settle the terms of payment with its suppliers when agreeing the terms of each transaction, ensure that those suppliers are made aware of the terms of payment and abide by the terms of payment.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that John Gordon Walton & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

GREATCOAT PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

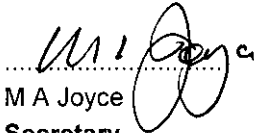
Directors' responsibilities

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 period. 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;
- 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.

On behalf of the board



M A Joyce

Secretary

29.03.2004

GREATCOAT PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GREATCOAT PLC

We have audited the financial statements of Greatcoat plc on pages 5 to 13 for the year ended 31 March 2004. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) 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 the directors and auditors

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

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 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

John Gordon Walton
John Gordon Walton & Co

30th Sept 2004

Chartered Accountants and
Registered Auditors

Yorkshire House
Greek Street
Leeds
LS1 5ST

GREATCOAT PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover	2	121,131	143,641
Cost of sales		336	(78,500)
Gross profit		<u>121,467</u>	<u>65,141</u>
Administrative expenses		(21,081)	(65,057)
Operating profit	3	<u>100,386</u>	<u>84</u>
Profit on sale of property		-	341,389
Profit on ordinary activities before interest		<u>100,386</u>	<u>341,473</u>
Other interest receivable and similar income		14,999	10,941
Interest payable and similar charges	4	(352)	(32,418)
Profit on ordinary activities before taxation		<u>115,033</u>	<u>319,996</u>
Tax on profit on ordinary activities	5	-	37,400
Profit on ordinary activities after taxation	11	<u><u>115,033</u></u>	<u><u>357,396</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Note of historical cost profits and losses

	2004 £	2003 £
Reported profit on ordinary activities before taxation	115,033	319,996
Realisation of property revaluation gains of previous years	-	109,025
Historical cost profit on ordinary activities before taxation	<u>115,033</u>	<u>429,021</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u><u>115,033</u></u>	<u><u>466,421</u></u>

GREATCOAT PLC

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	6		941,921		910,670
Investments	7		-		1
			<u>941,921</u>		<u>910,671</u>
Current assets					
Debtors	8	54,985		57,680	
Cash at bank and in hand		472,129		362,605	
		<u>527,114</u>		<u>420,285</u>	
Creditors: amounts falling due within one year	9	<u>(92,002)</u>		<u>(68,956)</u>	
Net current assets			<u>435,112</u>		<u>351,329</u>
Total assets less current liabilities			<u>1,377,033</u>		<u>1,262,000</u>
Capital and reserves					
Called up share capital	10		930,497		930,497
Share premium account	11		11,250		11,250
Revaluation reserve	11		40,776		40,776
Capital redemption reserve	11		10,000		10,000
Profit and loss account	11		384,510		269,477
			<u>1,377,033</u>		<u>1,262,000</u>
Shareholders' funds - equity interests	12		<u>1,377,033</u>		<u>1,262,000</u>

The financial statements were approved by the Board on 30th April 2004


M A Joyce
Director


T Barker
Director

GREATCOAT PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	2004		2003	
	£	£	£	£
Net cash inflow from operating activities		125,628		11,476
Returns on investments and servicing of finance				
Interest received	14,999		10,941	
Interest paid	(352)		(32,418)	
	<u> </u>		<u> </u>	
Net cash inflow/(outflow) for returns on investments and servicing of finance		14,647		(21,477)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(31,251)		(544)	
Receipts from sales of tangible assets	500		1,176,045	
	<u> </u>		<u> </u>	
Net cash (outflow)/inflow for capital expenditure		(30,751)		1,175,501
		<u> </u>		<u> </u>
Net cash inflow before management of liquid resources and financing		109,525		1,165,500
Financing				
Repayment of amount due to connected company	-		(564,447)	
	<u> </u>		<u> </u>	
Net cash outflow from financing		-		(564,447)
		<u> </u>		<u> </u>
Increase in cash in the year		<u>109,524</u>		<u>601,053</u>

GREATCOAT PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	100,386	84
	Profit on disposal of tangible assets	(500)	-
	Decrease in debtors	2,695	6,212
	Increase/(decrease) in creditors within one year	23,046	5,180
	Loss on disposal of fixed asset investments	1	-
	Net cash inflow from operating activities	<u>125,628</u>	<u>11,476</u>

2	Analysis of net funds	1 April 2003	Cash flow	Other non- 31 March 2004
				cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	362,605	109,524	-
	Net funds	<u>362,605</u>	<u>109,524</u>	<u>472,129</u>

3	Reconciliation of net cash flow to movement in net funds	2004	2003
		£	£
	Increase in cash in the year	109,524	601,053
	Movement in net funds in the year	109,524	601,053
	Opening net funds/(debt)	362,605	(238,448)
	Closing net funds	<u>472,129</u>	<u>362,605</u>

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The subsidiary undertaking has not traded during the year and is not material to the financial statements (see note 7).

1.2 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.3 Turnover

Turnover represents rents and service charges receivable net of VAT.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than investment properties are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Motor vehicle	25% straight line
---------------	-------------------

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.5 Investments

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

1.6 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

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

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

3 Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	2,190	3,200
	<u> </u>	<u> </u>
and after crediting:		
Rents receivable	114,048	100,652
Service charges	7,083	42,989
Profit on disposal of tangible assets	(500)	-
	<u> </u>	<u> </u>
 4 Interest payable	 2004	 2003
	£	£
On bank loans and overdrafts	20	18,763
Other interest	332	13,655
	<u> </u>	<u> </u>
	352	32,418
	<u> </u>	<u> </u>
 5 Taxation	 2004	 2003
Current tax charge	-	-
Deferred tax		
Deferred tax credit	-	(37,400)
	<u> </u>	<u> </u>
 Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	115,033	319,996
	<u> </u>	<u> </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	34,510	95,999
	<u> </u>	<u> </u>
Effects of:		
Non deductible expenses	13	5,124
Capital allowances	(2,549)	(1,703)
Capital gain not taxable	-	(101,178)
Losses brought forward	(31,701)	-
Other tax adjustments	(273)	1,758
	<u> </u>	<u> </u>
	(34,510)	(95,999)
	<u> </u>	<u> </u>
 Current tax charge	 -	 -
	<u> </u>	<u> </u>

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

6 Tangible fixed assets

	Investment properties £	Motor vehicle £	Total £
Cost or valuation			
At 1 April 2003	910,670	12,000	922,670
Additions	31,251	-	31,251
Disposals	-	(12,000)	(12,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2004	941,921	-	941,921
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2003	-	12,000	12,000
On disposals	-	(12,000)	(12,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2004	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2004	941,921	-	941,921
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2003	910,670	-	910,670
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The freehold properties are held for investment purposes and the directors consider that the net book value is equivalent to open market value.

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 April 2003	1
Disposals	(1)
	<hr/>
At 31 March 2004	-
	<hr/> <hr/>

The subsidiary company, Jarrow Enterprise Zone Developments Limited, had no trading activity during the year, and is in the process of being struck off. No consolidated accounts have been prepared on the basis that this company is immaterial to the group.

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

8 Debtors	2004	2003
	£	£
Trade debtors	48,985	51,680
Other debtors	6,000	6,000
	<u>54,985</u>	<u>57,680</u>

9 Creditors: amounts falling due within one year	2004	2003
	£	£
Trade creditors	1,500	3,196
Taxes and social security costs	4,990	5,653
Other creditors	25,000	25,895
Accruals and deferred income	60,512	34,212
	<u>92,002</u>	<u>68,956</u>

10 Share capital	2004	2003
	£	£
Authorised		
10,000,000 Ordinary shares of 10p each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
9,304,975 Ordinary shares of 10p each	<u>930,497</u>	<u>930,497</u>

11 Statement of movements on reserves				
	Share premium account	Revaluation reserve	Capital redemption reserve	Profit and loss account
	£	£	£	£
Balance at 1 April 2003	11,250	40,776	10,000	269,477
Retained profit for the year	-	-	-	115,033
	<u>11,250</u>	<u>40,776</u>	<u>10,000</u>	<u>384,510</u>

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

12 Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the financial year	115,033	357,396
Opening shareholders' funds	1,262,000	904,604
	<hr/>	<hr/>
Closing shareholders' funds	1,377,033	1,262,000
	<hr/>	<hr/>

13 Employees

Number of employees

There were no employees during the year apart from the directors.

14 Control

The ultimate controlling party is M A Joyce, who has a beneficial interest in 6,536,488 shares.

15 Related party transactions

- (a) During the year Rookwood (a business owned by C J G Hall) rendered charges at arms length in connection with management services amounting to £38,200 (2003: £18,050). At 31 March 2004 £30,000 was outstanding (2003: £30,000).
- (b) During the year T Barker Management Services (previously Alpha Consolidated Holdings Limited (a company partly owned by T Barker)) rendered charges at arms length in connection with management services amounting to £6,000 (2003: £6,000). A balance of £1,500 remains outstanding at the year end (2003: £1,500)
- (c) During the year Greatcoat plc provided Micklegate Special Projects Limited (a company controlled by M A Joyce) with a temporary loan of £405,000. The loan was repaid during the year, and interest was earned of £3,118.

16 Post balance sheet events

In August 2004 the company sold the land at Wrens Nest Mills for £750,000, realising a surplus of £650,000.