

Company Registration No. 451454 (England and Wales)

GREATCOAT PLC
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

JOHN GORDON WALTON & CO.



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GREATCOAT PLC

COMPANY INFORMATION

Chairman	T Barker FCA
Directors	T Barker FCA 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
Solicitors	Hammond Suddards Edge Trinity Court 16 John Dalton Street Manchester M60 8HS

GREATCOAT PLC

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GREATCOAT PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

I am pleased to present to you the accounts for the year ended 31 March 2002. As both of our subsidiary companies have not traded in the year we have changed the format of the accounts. These now reflect the continuing operations of the company by presenting the Holding company accounts without a consolidation of the subsidiaries. The comparative figures for last year have been restated to reflect this change.

For the year ended 31 March 2002 the company made a profit before interest and taxation of £15,367 (2001: £173,807). This reflects the termination of our building contract at Jarrow last year. Interest paid was £39,723 (2001 - £65,559) leaving a loss for the year before tax of £24,356 (2001: profit £108,248).

We continue to negotiate with our neighbours with a view to realizing the potential of our Glossop site.

Your Board has received an offer for the sale of the Dewsbury site which has been accepted but which has not yet proceeded to formal contract.



T Barker

Chairman

1 October 2002

GREATCOAT PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and financial statements for the year ended 31 March 2002.

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 who expect continued growth in the foreseeable future.

Results and dividends

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

Directors

The following directors have held office since 1 April 2001:

T Barker
M A Joyce
C J G Hall

In accordance with the company's Articles of Association, M A Joyce 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 2002	1 April 2001
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 2002

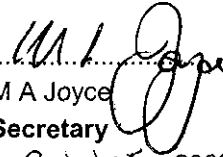
Directors' responsibilities

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;
- 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.

On behalf of the board


.....
M A Joyce
Secretary
.....2002

GREATCOAT PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GREATCOAT PLC

We have audited the financial statements of Greatcoat plc on pages 5 to 17 for the year ended 31 March 2002. 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.

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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

John Gordon Walton

John Gordon Walton & Co

Chartered Accountants and
Registered Auditors

2 October 2002

Yorkshire House
Greek Street
Leeds
LS1 5ST

GREATCOAT PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 as restated £
Turnover	2	101,805	66,574
Cost of sales		(46,084)	(39,930)
Gross profit		<u>55,721</u>	<u>26,644</u>
Administrative expenses		(43,045)	(77,049)
Operating profit/(loss)	3	12,676	(50,405)
Investment income	4	2,489	224,031
Other interest receivable and similar income		203	181
Amounts written off investments		(1)	-
Interest payable and similar charges	5	(39,723)	(65,559)
(Loss)/profit on ordinary activities before taxation		<u>(24,356)</u>	<u>108,248</u>
Tax on (loss)/profit on ordinary activities	6	17,400	(2,610)
(Loss)/profit on ordinary activities after taxation	13	<u>(6,956)</u>	<u>105,638</u>

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

GREATCOAT PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2002

	2002 £	2001 £
(Loss)/profit for the financial year	(6,956)	105,638
Prior year adjustment (Note 14)	<u>(54,800)</u>	<u>(52,190)</u>
Total gains and losses recognised since last financial statements	<u><u>(61,756)</u></u>	<u><u>53,448</u></u>

GREATCOAT PLC

BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002		2001 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,744,782		1,734,656
Investments	8		1		2
			<u>1,744,783</u>		<u>1,734,658</u>
Current assets					
Debtors	9	63,892		23,196	
Cash at bank and in hand		394		4,892	
		<u>64,286</u>		<u>28,088</u>	
Creditors: amounts falling due within one year	10	<u>(867,065)</u>		<u>(796,386)</u>	
Net current liabilities			<u>(802,779)</u>		<u>(768,298)</u>
Total assets less current liabilities			942,004		966,360
Provisions for liabilities and charges	11		<u>(37,400)</u>		<u>(54,800)</u>
			<u>904,604</u>		<u>911,560</u>
Capital and reserves					
Called up share capital	12		930,497		930,497
Share premium account	13		11,250		11,250
Revaluation reserve	13		149,801		149,801
Other reserves	13		10,000		10,000
Profit and loss account	13		<u>(196,944)</u>		<u>(189,988)</u>
Shareholders' funds - equity interests	15		<u>904,604</u>		<u>911,560</u>

The financial statements were approved by the Board on 10 October 2002


M A Joyce
Director


T Barker
Director

GREATCOAT PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	2002		2001	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(196,183)		1,140,761
Returns on investments and servicing of finance				
Interest received	203		20,131	
Interest paid	(39,723)		(65,559)	
Dividends received	2,489		204,081	
		<hr/>		<hr/>
Net cash (outflow)/inflow for returns on investments and servicing of finance		(37,031)		158,653
Capital expenditure and financial investment				
Payments to acquire tangible assets	(10,126)		-	
Receipts from sales of investments	-		1	
		<hr/>		<hr/>
Net cash (outflow)/inflow for capital expenditure		(10,126)		1
		<hr/>		<hr/>
Net cash (outflow)/inflow before management of liquid resources and financing		(243,340)		1,299,415
		<hr/>		<hr/>
(Decrease)/increase in cash in the year		<u>(243,340)</u>		<u>1,299,415</u>

GREATCOAT PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

1 Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2002	2001
	£	£
Operating profit/(loss)	12,676	(50,405)
Depreciation of tangible assets	-	3,000
(Increase)/decrease in debtors	(40,696)	1,370,508
Decrease in creditors within one year	(168,163)	(182,342)
Net cash (outflow)/inflow from operating activities	<u>(196,183)</u>	<u>1,140,761</u>

2 Analysis of net (debt)/funds	1 April 2001	Cash flow	Other non- cash changes	31 March 2002
	£	£	£	£
Net cash:				
Cash at bank and in hand	4,892	(4,498)	-	394
Bank overdrafts	-	(238,842)	-	(238,842)
	<u>4,892</u>	<u>(243,340)</u>	<u>-</u>	<u>(238,448)</u>
Net (debt)/funds	<u>4,892</u>	<u>(243,340)</u>	<u>-</u>	<u>(238,448)</u>

3 Reconciliation of net cash flow to movement in net (debt)/funds	2002	2001
	£	£
(Decrease)/increase in cash in the year	(243,340)	1,299,415
Movement in net (debt)/funds in the year	<u>(243,340)</u>	<u>1,299,415</u>
Opening net funds/(debt)	4,892	(1,294,523)
Closing net (debt)/funds	<u>(238,448)</u>	<u>4,892</u>

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

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 undertakings have not traded during the year and are not material to the financial statements (note 8).

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 amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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 Stock

Properties for resale are stated at the lower of cost and net realisable value.

Development expenditure is stated at cost.

1.7 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect 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.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

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 2002

3	Operating profit/(loss)	2002	2001
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	-	3,000
	Auditors' remuneration	3,200	6,250
		<u> </u>	<u> </u>
	and after crediting:		
	Rents receivable	72,502	48,319
	Government grants	29,303	18,255
		<u> </u>	<u> </u>
4	Investment income	2002	2001
		£	£
	Interest receivable from group undertakings	-	19,950
	Income from shares in group undertakings	2,489	204,081
		<u> </u>	<u> </u>
		2,489	224,031
		<u> </u>	<u> </u>
5	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	5,441	20,333
	Other interest	34,282	45,226
		<u> </u>	<u> </u>
		39,723	65,559
		<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

6 Taxation	2002	2001
Current tax charge	-	-
Deferred tax		
Deferred tax charge/credit current year	(17,400)	2,610
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(24,356)	108,248
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2001 : 20.00%)	(7,307)	21,650
	<u> </u>	<u> </u>
Effects of:		
Non deductible expenses	1,517	684
Capital allowances	(3,783)	(3,018)
Dividends and distributions received	(747)	(40,816)
Other tax adjustments	10,320	21,500
	<u> </u>	<u> </u>
	7,307	(21,650)
	<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 2002

7 Tangible fixed assets

	Investment properties £	Motor vehicle £	Total £
Cost or valuation			
At 1 April 2001	1,734,656	12,000	1,746,656
Additions	10,126	-	10,126
	<hr/>	<hr/>	<hr/>
At 31 March 2002	1,744,782	12,000	1,756,782
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2001 & at 31 March 2002	-	12,000	12,000
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2001 and at 31 March 2002	1,744,782	-	1,744,782
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 April 2001	1,584,855
Additions	10,126
	<hr/>
At 31 March 2002	1,594,981
	<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.

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 April 2001 & at 31 March 2002	2
Provisions for diminution in value	
At 1 April 2001	-
Charge for the year	1
At 31 March 2002	1
Net book value	
At 31 March 2002	1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Jarrow Enterprise Zone Developments Ltd (Dormant)	England	Ordinary	100
Balliol Developments Limited (Dormant)	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Jarrow Enterprise Zone Developments Ltd (Dormant)	1	-
Balliol Developments Limited (Dormant)	1	-

Neither subsidiary company had any trading activity during the year. No consolidated accounts have been prepared on the basis that both companies are immaterial to the group.

9 Debtors	2002 £	2001 £
Trade debtors	49,675	16,242
Amounts owed by subsidiary undertakings	5,579	-
Other debtors	8,638	6,954
	<u>63,892</u>	<u>23,196</u>

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

10 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts (secured)	238,842	-
Trade creditors	6,609	6,621
Amounts owed to subsidiary undertakings	-	56,004
Amounts owed to connected companies	564,447	680,165
Taxes and social security costs	6,487	1,989
Other creditors	25,000	19,002
Accruals and deferred income	25,680	32,605
	<u>867,065</u>	<u>796,386</u>

11 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2001	54,800
Profit and loss account	(17,400)
Balance at 31 March 2002	<u>37,400</u>

Deferred tax is provided at 30% (2001 - 30%) analysed over the following timing differences:

	Fully provided	
	2002	2001
	£	£
Accelerated capital allowances	<u>37,400</u>	<u>54,800</u>

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets. However the directors estimate that if the properties were to be sold a capital gain of £112,400 (2001:£118,600) would arise.

12 Share capital	2002	2001
	£	£
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>

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

18 Related party transactions

- (a) During the year Rockwood (a company owned by C J G Hall) rendered charges at arms length in connection with management services and the value was a charge of £4,800 (2001: £11,500) in this respect.
- (b) During the year Alpha Consolidated Holdings Limited (a company partly owned by T Barker) rendered charges at arms length in connection with management services and the value was a charge of £7,500 (2001: £6,000) in this respect. A balance of £nil remains outstanding at the year end (2001: £1,500)
- (c) During the year Micklegate Special Projects Limited (a company controlled by M A Joyce) rendered charges at arms length of £nil (2001: £170,600) in respect of property management costs to the group . At the year end £nil (2001: £nil) remained outstanding. During the year Micklegate Special Projects Limited provided Greatcoat Plc with an interest bearing cash flow loan of £360,114 (2001: £480,165) which was outstanding at the year end. The interest was charged on the loan at commercial rates
- (d) During the year Ratefield Limited (a company controlled by M A Joyce) charged the group £nil in respect of management fees (2001: £200,000). At the year end £204,333 (2001: £200,000) remained outstanding

GREATCOAT PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

13 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance at 1 April 2001 as previously reported	11,250	149,801	10,000	(135,188)
Prior year adjustment	-	-	-	(54,800)
Balance at 1 April 2001 as restated	11,250	149,801	10,000	(189,988)
Retained loss for the year	-	-	-	(6,956)
Balance at 31 March 2002	11,250	149,801	10,000	(196,944)

14 Prior year adjustment

The adoption of the Financial Reporting Standard 19 - Deferred Taxation requires a prior year adjustment to be made to recognise the liability which existed at the start of the financial year and which was not recognised under the previous accounting policy. This has increased the deferred tax liability and reduced the retained profits by £54,800.

15 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
(Loss)/Profit for the financial year	(6,956)	105,638
Opening shareholders' funds	911,560	805,922
Closing shareholders' funds	904,604	911,560

Opening shareholders' funds were originally £966,360 before deducting prior year adjustments of £54,800 (Note 14).

16 Employees

Number of employees

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

17 Control

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