

Greatcoat Plc
Directors' Report and Financial Statements
for the year ended 31 March 2001



HLE *H48A95DU* 0719
COMPANIES HOUSE 31/10/01

Registered Number 451454

Greatcoat Plc

Contents

| | Page |
|---|---------|
| Directors, Officers, Bankers and Advisers | 1 |
| Directors' Report | 2 - 4 |
| Auditors' Report | 5 |
| Group Profit and Loss Account | 6 |
| Group Balance Sheet | 7 |
| Company Balance Sheet | 8 |
| Group Cash Flow Statement | 9 - 10 |
| Notes to the Accounts | 11 - 18 |

Greatcoat Plc

Directors, Officers, Bankers and Advisers

Directors: Trevor Barker FCA (Chairman)
Martin A Joyce
Christopher J G Hall

Secretary: M A Joyce

Registered Office: Yorkshire House
Greek Street
LEEDS
West Yorkshire
LS1 5ST

Auditors: John Gordon Walton & Co
Chartered Accountants
Yorkshire House
Greek Street
LEEDS
LS1 5ST

Solicitors: Hammond Suddards Edge
Trinity Court
16 John Dalton Street
MANCHESTER
M60 8HS

Bankers: Clydesdale Bank Plc
30 St Vincent Place
GLASGOW
G1 2HL

Registered Number: 451454

Greatcoat Plc

Directors' Report

The directors submit their report and group accounts of Greatcoat Plc for the year ended 31 March 2001.

Principal Activities

The group's principal activity was that of property investment and development.

Results for the year and review of business

| | 2001 £ |
|--------------------------------|-----------------|
| Profit before interest and tax | 362,353 |
| Interest payable | (65,574) |
| Interest receivable | 67,743 |
| Taxation | <u>(56,000)</u> |
| Retained Profit | <u>308,522</u> |

Dividend

The directors do not recommend payment of a dividend (2000 - £nil) and the profit for the year has been transferred to reserves.

Greatcoat Plc

Directors' Report (continued)

Directors' interests

The beneficial interests of the directors in the share capital of the company were:

| | 31 March 2001 10p ordinary <u>Beneficial</u> | 31 March 2000 10p ordinary <u>Beneficial</u> |
|------------|--|--|
| T Barker | 100,000 | 100,000 |
| M A Joyce | 6,536,488 | 6,536,488 |
| C J G Hall | - | - |

Mr C J G Hall retires in accordance with the company's Articles of Association at the Annual General Meeting. Being eligible, he offers himself for re-election at the Annual General Meeting.

Substantial shareholdings

The following had substantial interests in the ordinary share capital of the company as at 31 March 2001.

| | Shares held | |
|------------------|-------------|------------|
| | Holding | Percentage |
| 3i Plc | 1,500,000 | 16.1% |
| Stargas Nominees | 496,000 | 5.3% |

No changes have taken place in these interests since the end of the financial year.

Payments to creditors

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.

Greatcoat Plc

Directors' Report (continued)

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 accounts;
- prepare the accounts 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 the group to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint as auditors John Gordon Walton & Co will be put to the members at the Annual General Meeting.

By Order of the Board

M A Joyce
Secretary



30 October2001

Auditors' Report

To the Shareholders of Greatcoat Plc

We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention, as modified to include the revaluation of certain freehold land and buildings, and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 affairs of the company and of the group as at 31 March 2001 and of the group's 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
Chartered Accountants and Registered Auditors
Yorkshire House
Greek Street
LEEDS
LS1 5ST

31 October
.....2001

Greatcoat Plc
Group Profit and Loss Account
for the year ended 31 March 2001

| | Note | 2001 £ | 2000 £ |
|--|------|------------------|------------------|
| Turnover | 2 | 7,067,503 | 920,799 |
| Decrease in finished goods and work in progress | | (6,716,475) | (767,488) |
| Development costs | | 183,499 | (2,179) |
| Professional fees | | <u>(38,135)</u> | <u>-</u> |
| Gross Profit | | 496,392 | 151,132 |
| Depreciation | 8 | (3,000) | (3,000) |
| Other operating charges | | <u>(131,039)</u> | <u>(125,215)</u> |
| Profit on ordinary activities before interest | 3 | 362,353 | 22,917 |
| Interest receivable and similar income | 4 | 67,743 | 4,553 |
| Interest payable | 5 | <u>(65,574)</u> | <u>(158,502)</u> |
| Profit/(loss) on ordinary activities before taxation | | 364,522 | (131,032) |
| Tax on profit/(loss) on ordinary activities | 7 | <u>(56,000)</u> | <u>2,234</u> |
| Profit/(loss) retained for year | 15 | <u>308,522</u> | <u>(128,798)</u> |

The profit and loss account is 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.

Greatcoat Plc

Group Balance Sheet

at 31 March 2001

| | Note | 2001 | | 2000 | |
|---|------|----------------|------------------|-------------------|--------------------|
| | | £ | £ | £ | £ |
| <u>Fixed Assets</u> | | | | | |
| Tangible assets | 8 | | 1,734,656 | | 1,737,656 |
| <u>Current Assets</u> | | | | | |
| Stocks | 10 | - | | 6,716,475 | |
| Debtors | 11 | 25,568 | | 646,659 | |
| Cash at bank and in hand | | <u>38,803</u> | | <u>2,638,564</u> | |
| | | 64,371 | | 10,001,698 | |
| <u>Creditors: amounts falling due within one year</u> | 12 | <u>832,667</u> | | <u>11,081,516</u> | |
| <u>Net current liabilities</u> | | | <u>(768,296)</u> | | <u>(1,079,818)</u> |
| <u>Total assets less current liabilities</u> | | | 966,360 | | 657,838 |
| Net assets | | | <u>966,360</u> | | <u>657,838</u> |
| <u>Capital and reserves</u> | | | | | |
| Called up share capital | 13 | | 930,497 | | 930,497 |
| Share premium account | | | 11,250 | | 11,250 |
| Capital redemption reserve | | | 10,000 | | 10,000 |
| Revaluation reserve | 14 | | 149,801 | | 149,801 |
| Profit and loss account | 15 | | <u>(135,188)</u> | | <u>(443,710)</u> |
| Equity Shareholders' Funds | 16 | | <u>966,360</u> | | <u>657,838</u> |


 M A Joyce Director

30 October 2001

Greatcoat Plc
Holding Company Balance Sheet
at 31 March 2001

| | Note | £ | 2001 £ | £ | 2000 £ |
|---|------|----------------|------------------|------------------|------------------|
| <u>Fixed Assets</u> | | | | | |
| Tangible assets | 8 | | 1,734,656 | | 1,737,656 |
| Investment in subsidiary companies | 9 | | <u>2</u> | | <u>3</u> |
| | | | 1,734,658 | | 1,737,659 |
| <u>Current Assets</u> | | | | | |
| Debtors | 11 | 23,196 | | 1,393,704 | |
| Cash at bank and in hand | | <u>4,892</u> | | <u>31</u> | |
| | | 28,088 | | 1,393,735 | |
| <u>Creditors: amounts falling due within one year</u> | 12 | <u>796,386</u> | | <u>2,273,282</u> | |
| <u>Net current liabilities</u> | | | <u>(768,298)</u> | | <u>(879,547)</u> |
| <u>Total assets less current liabilities</u> | | | 966,360 | | 858,112 |
| <u>Net assets</u> | | | <u>966,360</u> | | <u>858,112</u> |
| <u>Capital and reserves</u> | | | | | |
| Called up share capital | 13 | | 930,497 | | 930,497 |
| Share premium account | | | 11,250 | | 11,250 |
| Capital redemption reserve | | | 10,000 | | 10,000 |
| Revaluation reserve | 14 | | 149,801 | | 149,801 |
| Profit and loss account | 15 | | <u>(135,188)</u> | | <u>(243,436)</u> |
| Equity Shareholders' Funds | | | <u>966,360</u> | | <u>858,112</u> |



M A Joyce Director

..... 2001

Greatcoat Plc

Cash Flow Statement

for the year ended 31 March 2001

| | Note | 2001 | 2000 |
|--|------|------------------|------------------|
| | | £ | £ |
| <u>Net cash (outflow)/inflow from operating activities</u> | 1 | (1,303,769) | 3,097,526 |
| <u>Returns on investments and servicing of finance</u> | | | |
| Interest paid | | (65,574) | (158,502) |
| Interest received and similar income | | <u>67,743</u> | <u>4,553</u> |
| <u>Net cash inflow/(outflow) for returns on investments and servicing of finance</u> | | 2,169 | (153,949) |
| Taxation paid | | - | <u>(132,766)</u> |
| <u>Net cash (outflow)/inflow before management of liquid resources and financing</u> | | (1,301,600) | 2,810,811 |
| <u>Management of liquid resources</u> | | | |
| Decrease/(increase) in construction deposit account | | 2,604,653 | (2,638,564) |
| <u>Financing</u> | | | |
| Related company loan advance | | - | 273,792 |
| Hire purchase repayments | | - | <u>(35,250)</u> |
| <u>Net cash inflow from financing</u> | | - | <u>238,542</u> |
| <u>Increase in cash in the year</u> | | <u>1,303,053</u> | <u>410,789</u> |

Greatcoat Plc

Notes to the Cash Flow Statement

for the year ended 31 March 2001

1. Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

| | 2001 | 2000 |
|----------------------------------|--------------------|------------------|
| | £ | £ |
| Operating profit | 362,353 | 22,917 |
| Depreciation charges | 3,000 | 3,000 |
| Decrease/(increase) in stocks | 6,716,475 | (5,391,288) |
| Decrease/(increase) in debtors | 621,091 | (619,894) |
| (Decrease)/increase in creditors | <u>(9,006,688)</u> | <u>9,082,791</u> |
| Net cash (outflow)/inflow | <u>(1,303,769)</u> | <u>3,097,526</u> |

2. Analysis of Net Debt/Net Funds

| | 1 April 2000 | Cash Flow | 31 March 2001 |
|----------------|--------------------|------------------|---------------|
| Bank overdraft | <u>(1,298,631)</u> | <u>1,303,053</u> | <u>4,422</u> |

3. Reconciliation of net cash flow to movement in net funds

| | 2001 | 2000 |
|--------------------------------------|--------------------|--------------------|
| | £ | £ |
| Increase in cash in the year | 1,303,053 | 410,789 |
| Cash outflow from debt and financing | <u>-</u> | <u>35,250</u> |
| Movement in net debt in the year | 1,303,053 | 446,039 |
| Opening net funds | <u>(1,298,631)</u> | <u>(1,744,670)</u> |
| Closing net funds | <u>4,422</u> | <u>(1,298,631)</u> |

Greatcoat Plc

Notes to the Financial Statements

1 Accounting Policies

Basis of consolidation

The group financial statements include the financial statements for the company and its subsidiaries made up to 31 March each year and comply with all applicable UK accounting standards.

Internal turnover and profits are eliminated on consolidation and all turnover and profit and loss figures relate to external transactions only. No profit and loss account is presented for Greatcoat Plc as provided by Section 230 of the Companies Act 1985.

Government Grants

Regional Development grants are treated as deferred credits and transferred to the profit and loss account over the estimate useful lives of the assets concerned.

Deferred taxation

Provision for deferred taxation is made under the liability method in respect of timing differences where it is probable that a tax liability will become payable within the foreseeable future.

Fixed assets

Investment properties are stated at open market value in accordance with SSAP 19.

Other fixed assets are stated at cost.

Depreciation

Depreciation is provided on fixed assets calculated at fixed rates between 10% and 33% per annum on a straight line basis so as to write off the cost of those assets over their estimated useful lives.

No depreciation is charged on investment properties as any such properties are valued at open market value.

Greatcoat Plc

Notes to the Financial Statements (continued)

1. Accounting Policies continued

Stocks

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

Development expenditure is stated at cost.

Turnover

Turnover represents the invoiced value of goods and services provided during the year, stated net of value added tax, and trade discounts.

Leasing and hire purchase contracts

Assets obtained under finance leases and hire purchase contracts are capitalised as tangible assets and depreciated over their useful economic lives.

Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

The cost of operating leases is charged to the profit and loss account as incurred.

2. Turnover

Turnover represents the invoiced amount of goods sold and services provided during the year, stated net of value added tax, and trade discounts.

Turnover is wholly attributable to activities within the United Kingdom.

Greatcoat Plc

Notes to the Financial Statements (continued)

3 Operating Profit

The operating profit is stated after charging:

| | 2001 | 2000 |
|--------------------------|-------|-------|
| | £ | £ |
| Auditors' Remuneration | | |
| - for audit services | 7,750 | 8,050 |
| - for non audit services | 5,000 | - |
| Depreciation | 3,000 | 3,000 |

and after crediting:

| | | |
|--------------------------|---------------|---------------|
| Rent receivable | 48,319 | 87,103 |
| Administration recharges | <u>18,255</u> | <u>12,487</u> |

4 Interest Receivable

| | 2001 | 2000 |
|----------------|---------------|--------------|
| | £ | £ |
| Bank Interest | 67,473 | 4,464 |
| Other Interest | <u>270</u> | <u>89</u> |
| | <u>67,743</u> | <u>4,553</u> |

5 Interest Payable

| | 2001 | 2000 |
|---|---------------|----------------|
| | £ | £ |
| On bank loans, overdrafts and other loans repayable within five years | <u>65,574</u> | <u>158,502</u> |

6 Employees

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

7 Taxation

| | 2001 | 2000 |
|---------------------------------|---------------|----------------|
| | £ | £ |
| Corporation tax charge at 30% | 56,000 | - |
| Overprovision in previous years | <u>-</u> | <u>(2,234)</u> |
| | <u>56,000</u> | <u>(2,234)</u> |

Greatcoat Plc

Notes to the Financial Statements (continued)

8 Tangible Fixed Assets

| <u>Group and Company</u> | <u>Investment Properties</u> £ | <u>Motor Vehicles</u> £ | <u>Total</u> £ |
|--------------------------------------|---------------------------------------|--------------------------------|-------------------|
| Cost/Valuation: | | | |
| At 1 April 2000 and at 31 March 2001 | <u>1,734,656</u> | <u>12,000</u> | <u>1,746,656</u> |
| Depreciation: | | | |
| At 1 April 2000 | - | 9,000 | 9,000 |
| Provided during the year | <u>-</u> | <u>3,000</u> | <u>3,000</u> |
| At 31 March 2001 | <u>-</u> | <u>12,000</u> | <u>12,000</u> |
| Net book amounts | | | |
| At 31 March 2001 | <u>1,734,656</u> | <u>-</u> | <u>1,734,656</u> |
| At 1 April 2000 | <u>1,734,656</u> | <u>3,000</u> | <u>1,737,656</u> |

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

Comparable historic cost for the land and building included at valuation:

Cost

| | |
|---|------------------|
| Historic cost at 1 April 2000 and at 31 March 2001 | <u>1,584,855</u> |
|---|------------------|

Greatcoat Plc

Notes to the Financial Statements (continued)

| | | | |
|---|---|-----------|-----------|
| 9 | <u>Investment in subsidiary companies</u> | 2001 £ | 2000 £ |
| | Shares at cost at 1 April 2000 | 3 | 3 |
| | Disposal | (1) | = |
| | Shares at cost 31 March 2001 | <u>2</u> | <u>3</u> |

The details of subsidiary companies are as follows:

| <u>Non-trading at balance sheet date</u> | <u>Ordinary Shares</u> | <u>Ordinary Shares</u> |
|--|----------------------------|----------------------------|
| Jarrow Enterprise Zone Developments Ltd - Property Development | 100% | 100% |
| Balliol Developments Ltd - Property Development | 100% | 100% |
| Point of Impact Ltd - Property Development | - | 100% |

Point of Impact Ltd was struck off on 13 February 2001.

All subsidiaries are registered in England and operated principally within the United Kingdom.

No subsidiary has been excluded from the consolidation.

| | | | | | |
|----|---|---------------|------------------|------------------------|------------------|
| 10 | <u>Stocks</u> | <u>Group</u> | | <u>Holding Company</u> | |
| | | 2001 | 2000 | 2001 | 2000 |
| | | £ | £ | £ | £ |
| | Properties for resale and development expenditure | <u>-</u> | <u>6,716,475</u> | <u>-</u> | <u>-</u> |
| 11 | <u>Debtors</u> | <u>Group</u> | | <u>Holding Company</u> | |
| | | 2001 | 2000 | 2001 | 2000 |
| | | £ | £ | £ | £ |
| | <u>Amounts falling due within one year</u> | | | | |
| | Trade Debtors | 16,242 | 32,090 | 16,242 | 11,520 |
| | Amounts due from subsidiary companies | - | - | - | 1,382,184 |
| | Other debtors | <u>9,326</u> | <u>614,569</u> | <u>6,954</u> | <u>-</u> |
| | | <u>25,568</u> | <u>646,659</u> | <u>23,196</u> | <u>1,393,704</u> |

Greatcoat Plc

Notes to the Financial Statements (continued)

12 Creditors

| <u>Amounts falling due within one year</u> | Group | | Holding Company | |
|--|----------------|-------------------|-----------------|------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | £ | £ | £ | £ |
| Bank overdraft (secured) | 470 | 1,298,631 | - | 1,294,554 |
| Trade creditors | 6,722 | 2,996,575 | 6,621 | 28,259 |
| Other taxes and social security costs | 1,989 | 4,696 | 1,989 | 4,696 |
| Corporation tax | 56,000 | - | - | - |
| Other creditors | 732,381 | 690,616 | 699,167 | 589,941 |
| Accruals | 35,105 | 124,198 | 32,605 | 27,735 |
| Payments on account | - | 5,966,800 | - | - |
| Amounts owed to group undertakings | - | - | <u>56,004</u> | <u>328,097</u> |
| | <u>832,667</u> | <u>11,081,516</u> | <u>796,386</u> | <u>2,273,282</u> |

The bank overdraft is secured by debentures and legal charges over certain properties within the group.

13 Equity Share Capital

| | 2001 | 2000 |
|---|------------------|------------------|
| | £ | £ |
| Authorised: | | |
| 10,000,000 Ordinary Shares of 10p (2000 - 10,000,000) | <u>1,000,000</u> | <u>1,000,000</u> |
| Issued and fully paid: | | |
| 9,304,975 Ordinary Shares of 10p (2000 - 9,304,975) | <u>930,497</u> | <u>930,497</u> |

14 Revaluation reserve

| | Group and Holding Company | |
|--|---------------------------|----------------|
| | 2001 | 2000 |
| | £ | £ |
| Balance at 1 April 2000 and at 31 March 2001 | <u>149,801</u> | <u>149,801</u> |

15 Profit and Loss Account

| | Group | | Holding Company | |
|----------------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | £ | £ | £ | £ |
| Balance at 1 April 2000 | (443,710) | (314,912) | (243,436) | (269,318) |
| Profit/(loss) for the year | <u>308,522</u> | <u>(128,798)</u> | <u>108,248</u> | <u>25,882</u> |
| Balance at 31 March 2001 | <u>(135,188)</u> | <u>(443,710)</u> | <u>(135,188)</u> | <u>(243,436)</u> |

Greatcoat Plc

Notes to the Financial Statements (continued)

| | | | |
|----|---|----------------|------------------|
| 16 | <u>Reconciliation of Shareholders' Funds</u> | 2001 £ | 2000 £ |
| | Profit/(Loss) on Ordinary Activities after taxation | <u>308,522</u> | <u>(128,798)</u> |
| | Net increase/(decrease) in shareholders' funds | 308,522 | (128,798) |
| | Equity shareholders' funds at 1 April 2000 | <u>657,838</u> | <u>786,636</u> |
| | Equity shareholders' funds at 31 March 2001 | <u>966,360</u> | <u>657,838</u> |

17 Contingent Liabilities

No provision has been made in either the group or the holding company's accounts in respect of deferred taxation, at 2001 or 2000 as in the opinion of the directors any potential liabilities are unlikely to crystallise in the foreseeable future.

Unprovided deferred taxation therefore represents a contingent liability at the balance sheet date and has been calculated using a rate of 30% (2000 - 30%).

| | Group and Holding Company | |
|--|---------------------------|----------------|
| | 2001 | 2000 |
| | £ | £ |
| Accelerated capital allowances - buildings | 101,200 | 98,000 |
| Other timing differences | <u>214,900</u> | <u>214,900</u> |
| | <u>316,100</u> | <u>316,100</u> |

Greatcoat Plc

Notes to the Financial Statements (continued)

18 Related Party Transactions

- (a) During the year Rookwood (a company owned by C J G Hall) rendered charges at arms length in connection with management services and the value was £13,500 (2000: £nil) 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 £4,000 (2000 £37,716 credit) in this respect. A balance of £1,500 remains outstanding at the year end which has since been repaid (2000 £nil).
- (c) During the year Micklegate Special Projects Limited (a company controlled by M.A. Joyce) rendered charges at arms length at £270,600 (2000: £nil) in respect of property management costs to the group. At the year end £nil (2000: £33,378) remained outstanding. During the year Micklegate Special Projects Limited provided Greatcoat Plc with a interest bearing cash flow loan of £480,165 (2000: £458,647) which was outstanding at the year end. The interest was charged on the loan at commercial rates.
- (d) In the prior year MSP (Commercial) Ltd (a company controlled by M A Joyce) provided Greatcoat Plc with a cash flow of £70,000 which was repaid during the year.
- (e) During the year Ratefield Limited (a company controlled by M A Joyce) charged the group £100,000 in respect of property management fees (2000: £nil). At the year end £100,000 remained outstanding (2000: £nil).