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Registered no: 728881



AS & D Enterprises Limited
Annual report
for the year ended 30 June 2004



AS & D Enterprises Limited

Annual report for the year ended 30 June 2004

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Directors and advisers

Directors

Mrs VB Scott
Mrs B Scott
Mrs S Bentley
Mr F Ledwidge OBE FCA

Secretary

Mrs KN Duffy

Registered office

Cherry Cottage
10 Brook Rise
Chigwell
Essex
IG7 6AP

Business address

River House
48 High Street
Belfast
BT1 2BE

Solicitors

King & Gowdy
298 Upper Newtownards Road
Belfast
BT4 3EJ

Bankers

Ulster Bank Ltd
Donegal Square East
Belfast
BT1 5HD

Registered auditors

PricewaterhouseCoopers LLP
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Directors' report for the year ended 30 June 2004

The directors present their report and the audited financial statements for the year ended 30 June 2004.

Principal activities

The company's principal activity during the year was that of an investment company.

Review of business and future developments

The directors consider the results for the year to be satisfactory. The company continues to seek opportunities to increase profitability.

Results and dividends

The profit for the financial year is £408,972 (2003 – £397,579). An interim dividend of £25,000 (2003 - £50,000) was paid during the year. The directors do not recommend the payment of a final dividend and profits of £383,972 (2003 - £347,579) will be transferred to reserves.

Directors and their interests

The directors who served during the year are shown on page 1. The interests of the directors who held office at the end of the financial year in the shares of the company were as follows:

| | Ordinary shares of £1 each | |
|---------------|----------------------------|--------------------|
| | 30.06.04 Number | 30.06.03 Number |
| Mr F Ledwidge | - | - |
| Mrs VB Scott | 33 | 33 |
| Mrs B Scott | 34 | 34 |
| Mrs S Bentley | <u>33</u> | <u>33</u> |

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

K. N. Duffy

Mrs KN Duffy

Secretary

Date: 25/1/2005

Independent auditors' report to the members of AS & D Enterprises Limited

We have audited the financial statements, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

Basis of audit 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 financial 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 at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Belfast

Date: 25/1/2005

Profit and loss account for the year ended 30 June 2004

| | Notes | 2004 £ | 2003 £ |
|--|-------|------------------|-----------|
| Gross rents | | 978,404 | 951,585 |
| Rental expenses | | (126,245) | (78,630) |
| Net rents | | 852,159 | 872,955 |
| Administrative expenses | | (70,377) | (80,368) |
| Operating profit | 2 | 781,782 | 792,587 |
| Interest receivable | 3 | 6,301 | 12,464 |
| Interest payable and similar charges | 4 | (189,938) | (196,447) |
| Profit on ordinary activities before taxation | | 598,145 | 608,604 |
| Taxation | 5 | (189,173) | (211,025) |
| Profit for the financial year | | 408,972 | 397,579 |
| Dividends | 6 | (25,000) | (50,000) |
| Retained profit for the financial year | 14 | 383,972 | 347,579 |

All amounts above relate to continuing operations of the company.

There is no significant difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

**Statement of total recognised gains and losses
for the year ended 30 June 2004**

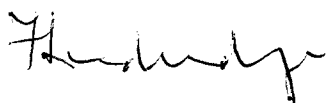
| | 2004 | 2003 |
|--|------------------|----------------|
| | £ | £ |
| Profit for the financial year | 408,972 | 397,579 |
| Unrealised surplus on revaluation of property | 688,870 | - |
| Total gains recognised since last annual report | 1,097,842 | 397,579 |

Balance sheet at 30 June 2004

| | Notes | 2004 £ | 2003 £ |
|--|-------|--------------------|-------------|
| Fixed assets | 7 | 12,812,747 | 12,129,025 |
| Current assets | | | |
| Debtors | 8 | 15,772 | 12,064 |
| Cash at bank and in hand | | 834,582 | 572,046 |
| | | 850,354 | 584,110 |
| Creditors: amounts falling due within one year | 9 | (2,201,319) | (2,024,195) |
| Net current liabilities | | (1,350,965) | (1,440,085) |
| Total assets less current liabilities | | 11,461,782 | 10,688,940 |
| Creditors: amounts falling due after more than one year | 10 | (3,000,000) | (3,300,000) |
| Deferred income | 12 | (11,130) | (11,130) |
| Net assets | | 8,450,652 | 7,377,810 |
| Capital and reserves | | | |
| Called up share capital | 13 | 100 | 100 |
| Revaluation reserve | 14 | 3,568,143 | 2,879,273 |
| Capital reserve | 14 | 2,251,367 | 2,251,367 |
| Profit and loss account | 14 | 2,631,042 | 2,247,070 |
| Equity shareholders' funds | 15 | 8,450,652 | 7,377,810 |

The directors have relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

The financial statements on pages 5 to 12 were approved by the board on 2 June 2005 and were signed on its behalf by:



Mr F Ledwidge
Director

Notes to the financial statements for the year ended 30 June 2004**1 Accounting policies**

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements are prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with the Companies Act 1985 and applicable accounting standards. The significant accounting policies adopted are set out below.

Gross rents

Gross rents are derived from ordinary activities.

Investment properties

Investment properties are stated at open market value based on professional valuations and are revalued annually.

Surpluses/deficits on revaluation of investment properties are credited/debited to a non-distributable revaluation reserve. On disposal realised surpluses/deficits are transferred to/from revaluations reserve. Where a deficit on an individual investment property is expected to be permanent it is transferred to the profit and loss reserve.

No depreciation is provided in respect of long leasehold investment properties. Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary for the accounts to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

Depreciation

Depreciation is calculated in order to write off the cost of tangible assets other than land and investment properties over their estimated useful lives as follows:

| | |
|-----------------------|---------|
| Fixtures and fittings | 5 years |
| Motor vehicles | 5 years |

Deferred taxation

The company has adopted FRS 19 "Deferred taxation" in these financial statements. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements. Deferred tax assets and liabilities recognised have not been discounted.

Cash flow statement

The company qualifies as a small company under Sections 246 to 249 of the Companies Act 1985 and is therefore exempt from the requirement of Financial Reporting Standard No.1 to prepare cash flow statement.

2 Operating profit

| | 2004 | 2003 |
|---------------------------------------|--------|--------|
| | £ | £ |
| This is stated after charging: | | |
| Auditors' remuneration | 4,100 | 3,900 |
| Directors' remuneration | 19,500 | 18,000 |
| Depreciation (Note 7) | 5,148 | 5,231 |

3 Interest receivable and similar income

| | 2004 | 2003 |
|---------------|-------|--------|
| | £ | £ |
| Bank interest | 6,301 | 12,464 |

4 Interest payable and similar charges

| | 2004 | 2003 |
|-------------------------|---------|---------|
| | £ | £ |
| On bank and other loans | 189,938 | 196,447 |

5 Tax on profit on ordinary activities

| | 2004 | 2003 |
|---|---------|---------|
| | £ | £ |
| Current tax | | |
| UK corporation tax at 30% (2003: 30%) | 179,500 | 185,000 |
| Adjustment in respect of previous years | 9,673 | 26,025 |
| Total current tax | 189,173 | 211,025 |
| Tax on profit on ordinary activities | 189,173 | 211,025 |

The tax assessed for the year is lower than the standard rate of corporation tax in the UK 30%. The differences are explained below:-

| | | |
|---|---------|---------|
| Profit on ordinary activities before tax | 598,145 | 608,604 |
| Profit on ordinary activities multiplied by standard rate in the UK 30% (2002: 30%) | 179,443 | 182,581 |
| Effects of: | | |
| Other timing differences | 57 | 2,419 |
| Adjustments in respect of previous years | 9,673 | 26,025 |
| Current tax charge for the year | 189,173 | 211,025 |

6 Dividends

| | 2004 | 2003 |
|--------------|--------|--------|
| | £ | £ |
| Interim paid | 25,000 | 50,000 |

7 Tangible fixed assets

| | Long leasehold land and buildings £ | Fixtures and fittings £ | Motor Vehicles £ | Total £ |
|---------------------------------|---|----------------------------------|------------------------|-------------------|
| Cost or valuation | | | | |
| At 30 June 2003 | 12,111,130 | 4,910 | 21,245 | 12,137,285 |
| Surplus on revaluation | 688,870 | - | - | 688,870 |
| At 30 June 2004 | 12,800,000 | 4,910 | 21,245 | 12,826,155 |
| Accumulated depreciation | | | | |
| At 30 June 2003 | - | 4,011 | 4,249 | 8,260 |
| Charge for year | - | 899 | 4,249 | 5,148 |
| At 30 June 2004 | - | 4,910 | 8,498 | 13,408 |
| Net book value | | | | |
| At 30 June 2004 | 12,800,000 | - | 12,747 | 12,812,747 |
| At 30 June 2003 | 12,111,130 | 899 | 16,996 | 12,129,025 |

The historical cost of the long lease land and buildings included at valuation was £9,231,857. The investment properties were professionally valued at 30 June 2004 by the Whelan Partnership on an open market existing use basis at an amount of £12,800,000.

8 Debtors

| | 2004 £ | 2003 £ |
|--------------------------------|---------------|---------------|
| Other debtors | 7,154 | 6,724 |
| Prepayments and accrued income | 8,618 | 5,340 |
| | 15,772 | 12,064 |

9 Creditors: amounts falling due within one year

| | 2004 £ | 2003 £ |
|-------------------------------------|------------------|------------------|
| Bank loan | 300,000 | - |
| Amounts due to related undertakings | 918,396 | 1,036,032 |
| Corporation tax | 181,815 | 338,200 |
| Other tax and social security | 9,743 | 5,333 |
| Other creditors | 757,375 | 583,516 |
| Accruals and deferred income | 33,990 | 61,114 |
| | 2,201,319 | 2,024,195 |

10 Creditors: amounts falling due after more than one year

| | 2004 £ | 2003 £ |
|------------------------|------------------|------------------|
| Bank loan | 3,000,000 | 3,300,000 |
| Loan repayable: | | |
| 1 Year | 300,000 | - |
| 2-5 years | 1,200,000 | 1,200,000 |
| After 5 Years | 1,800,000 | 2,100,000 |

The bank loan is secured by a floating charge on the company's assets and by a fixed charge on the company's properties.

11 Provisions for liabilities and charges

No provision has been made for any tax liability that would arise, if the properties were disposed of at their revalued amounts.

| | 2004 £ | 2003 £ |
|---|-----------|-----------|
| Deferred taxation | | |
| Potential deferred tax on revaluation surplus | 450,000 | 450,000 |

12 Deferred income

| | 2004 £ | 2003 £ |
|----------------------------------|-----------|-----------|
| At 30 June 2003 and 30 June 2004 | 11,130 | 11,130 |

13 Called up share capital

| | 2004 £ | 2003 £ |
|----------------------------------|-----------|-----------|
| Authorised | | |
| 5,000 ordinary shares of £1 each | 5,000 | 5,000 |
| Allotted and fully paid | | |
| 100 ordinary shares of £1 each | 100 | 100 |

14 Reserves

| | Revaluation reserve £ | Capital reserve £ | Profit and loss account £ | Total £ |
|----------------------------------|-----------------------------|-------------------------|---------------------------------|------------------|
| At 30 June 2003 | 2,879,273 | 2,251,367 | 2,247,070 | 7,377,710 |
| Retained profit for the year | - | - | 383,972 | 383,972 |
| Surplus on revaluation of assets | 688,870 | - | - | 688,870 |
| At 30 June 2004 | 3,568,143 | 2,251,367 | 2,631,042 | 8,450,552 |

15 Reconciliation of movements in shareholders' funds

| | 2004 £ | 2003 £ |
|--|-----------|-----------|
| Profit for the financial year | 408,972 | 397,579 |
| Dividends | (25,000) | (50,000) |
| | 383,972 | 347,579 |
| Unrealised surplus on property revaluation | 688,870 | - |
| Net addition to shareholders' funds | 1,072,842 | 347,579 |
| Opening shareholders' funds | 7,377,810 | 7,030,231 |
| Closing shareholders' funds | 8,450,652 | 7,377,810 |

16 Capital Commitments

There were no capital commitments for the year ended 30 June 2004.

17 Related party disclosures

At the year end other debtors (note 8) include the following amount due from:

| | 2004 £ | 2003 £ |
|----------------------|-----------|-----------|
| Herclose Investments | 7,154 | 6,724 |

All the directors of AS & D Enterprises Limited are also directors of Belfast Fashions, its fully-owned subsidiary Herclose Investments, and Progressive Trading Company (Belfast). Additionally three of the directors (Mrs VB Scott, Mrs B Scott and Mrs S Bentley) own the majority of the shares in Belfast Fashions and Progressive Trading Company (Belfast).

Fees of £15,825 for property investment services were paid to Mr F Ledwidge, a director of the company.