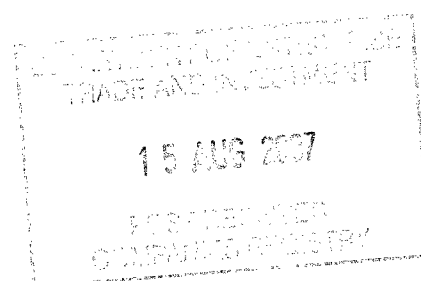


AS & D Enterprises Limited
Annual report
for the year ended 30 June 2006



AS & D Enterprises Limited

Annual report for the year ended 30 June 2006

	Pages
Directors and advisers	1
Directors' report	2 - 3
Independent auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 13

AS & D Enterprises Limited

1

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 2006

The directors present their report and the audited financial statements for the year ended 30 June 2006.

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 and the position of the company at the year end to be satisfactory. The company will continue to seek every opportunity to improve profitability.

Results and dividends

The loss for the financial year is £646,137 (2005: profit £443,973). An interim dividend for the financial year of £35,000 (2005: £60,250) was paid during the year. The directors do not recommend the payment of a final dividend. £467,045 will be transferred from 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	
	30.06.06 Number	30.06.05 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 in respect of the annual report and the financial statements

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

The directors are responsible for preparing the financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, 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; 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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
19 January 2007

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

We have audited the financial statements of AS & D Enterprises Limited for the year ended 30 June 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2005).

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). 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

Basis of audit opinion

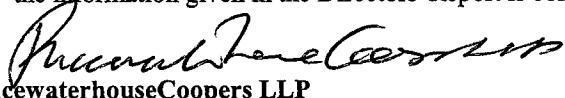
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 applicable to Smaller Entities, of the state of the company's affairs as at 30 June 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.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast
19 January 2007

Profit and loss account for the year ended 30 June 2006

	Notes	2006 £	2005 £
Gross rents	2	1,073,614	1,004,097
Rental expenses		(111,827)	(99,691)
Net rents		961,787	904,406
Administrative expenses		(77,784)	(84,661)
Operating profit	3	884,003	819,745
Interest receivable	4	5,915	8,465
Interest payable and similar charges	5	(172,925)	(198,469)
Profit on ordinary activities before taxation		716,993	629,741
Taxation	6	(1,363,130)	(185,768)
(Loss)/ profit for the financial year		(646,137)	443,973
Dividends	7	(35,000)	(60,250)
Transfer (from)/ to reserves	15	(681,137)	383,723

All amounts above relate to continuing operations of the company.

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

AS & D Enterprises Limited

Statement of total recognised gains and losses for the year ended 30 June 2006

	2006 £	2005 £
(Loss)/ profit for the financial year	(646,137)	443,973
Unrealised surplus on revaluation of property	2,520,000	200,000
Total gains recognised since last annual report	1,873,863	643,973

AS & D Enterprises Limited

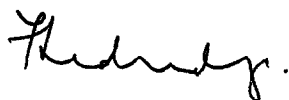
7

Balance sheet at 30 June 2006

	Notes	2006 £	2005 £
Fixed assets	8	15,524,249	13,008,498
Current assets			
Debtors	9	13,858	14,300
Cash at bank and in hand		694,803	1,107,101
		708,661	1,121,401
Creditors: amounts falling due within one year	10	(4,196,738)	(2,384,394)
Net current liabilities		(3,488,077)	(1,262,993)
Total assets less current liabilities		12,036,172	11,745,505
Creditors: amounts falling due after more than one year	11	-	(2,700,000)
Provisions for liabilities	12	(1,151,804)	-
Deferred income	13	(11,130)	(11,130)
Net assets		10,873,238	9,034,375
Capital and reserves			
Called up share capital	14	100	100
Revaluation reserve	15	6,288,143	3,768,143
Capital reserve	15	2,251,367	2,251,367
Profit and loss account	15	2,333,628	3,014,765
Equity shareholders' funds	16	10,873,238	9,034,375

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 13 were approved by the board on 19 January 2007 and were signed on its behalf by:



Mr F Ledwidge
Director

Notes to the financial statements for the year ended 30 June 2006

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 January 2005).

These financial statements are prepared on the going concern basis 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 Analysis of turnover

Turnover relates to the company's main activity which is carried out in the United Kingdom.

3 Operating profit

	2006 £	2005 £
This is stated after charging:		
Auditors' remuneration	4,500	4,300
Directors' remuneration	24,000	24,000
Depreciation (Note 8)	4,249	4,249

4 Interest receivable and similar income

	2006 £	2005 £
Bank interest	5,915	8,465

5 Interest payable and similar charges

	2006 £	2005 £
On bank and other loans	172,925	198,469

6 Taxation

	2006 £	2005 £
Current tax		
UK corporation tax at 30% (2005: 30%)	214,599	189,297
Adjustment in respect of previous years	(3,273)	(3,529)
Total current tax	211,326	185,768
Deferred tax:		
Accelerated capital allowances and other timing differences	1,151,804	-
Total deferred tax	1,151,804	-
Tax on profit on ordinary activities	1,363,130	185,768

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	716,993	629,741
Profit on ordinary activities multiplied by standard rate in the UK 30% (2005: 30%)	215,098	188,922
Effects of:		
Expenses not deductible for tax purposes	1,275	-
Accelerated capital allowances and other timing differences	(900)	-
Other timing differences	-	375
Tax at marginal rates	(874)	-
Adjustments in respect of previous years	(3,273)	(3,529)
Current tax charge for the year	211,326	185,768

7 Dividends

	2006 £	2005 £
Interim paid	35,000	60,250

8 Tangible fixed assets

	Long leasehold land & buildings £	Fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 July 2005	13,000,000	4,910	21,245	13,026,155
Revaluation	2,520,000	-	-	2,520,000
At 30 June 2006	15,520,000	4,910	21,245	15,546,155
Accumulated depreciation				
At 1 July 2005	-	4,910	12,747	17,657
Charge for year	-	-	4,249	4,249
At 30 June 2006	-	4,910	16,996	21,906
Net book value				
At 30 June 2006	15,520,000	-	4,249	15,524,249
At 30 June 2005	13,000,000	-	8,498	13,008,498
	£	£	£	£
Cost or valuation at 30 June 2006 is represented by:				
Cost	-	4,910	21,245	26,155
Valuation in 2006	15,520,000	-	-	15,520,000
	15,520,000	4,910	21,245	15,546,155

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 2006 by the Whelan Partnership on an open market existing use basis at an amount of £15,520,000.

9 Debtors

	2006 £	2005 £
Amounts owed by related undertaking	7,154	7,154
Prepayments and accrued income	6,704	7,146
	13,858	14,300

10 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank overdraft	-	20,967
Bank loan (Note 11)	2,700,000	300,000
Amounts due to related undertakings	721,148	861,275
Corporation tax	230,596	196,245
Other tax and social security	10,848	8,418
Other creditors	489,046	963,276
Accruals and deferred income	45,100	34,213
	4,196,738	2,384,394

11 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Bank loan	-	2,700,000
Loan repayable:		
1 Year	2,700,000	300,000
2-5 years	-	1,200,000
After 5 Years	-	1,500,000

The bank loan is secured by a floating charge on the company's assets and by a fixed charge on the company's properties. The company's intention is to repay the loan within one year.

12 Provisions for liabilities

Provision has been made for the tax liability that would arise on one of the company's investment properties, if it was disposed of at its revalued amount, as the intention is to sell the property during the next financial year.

	£
At 1 July 2005	-
Charged to the profit and loss account	1,151,804
At 30 June 2006	1,151,804

Deferred tax comprises:

	2006	2005
	£	£
Capital Gain	1,151,804	-

12 Provisions for liabilities (continued)

No provision has been made for any tax liability that would arise on the company's other investment property, if the property was disposed of at its revalued amount. The comparative figure unprovided relates to the two investment properties.

	2006 £	2005 £
Deferred taxation		
Potential deferred tax on revaluation surplus	13,000	1,165,000

13 Deferred income

	2006 £	2005 £
At 1 July 2005 and 30 June 2006	11,130	11,130

14 Called up share capital

	2006 £	2005 £
Authorised		
5,000 ordinary shares of £1 each	5,000	5,000
Allotted and fully paid		
100 ordinary shares of £1 each	100	100

15 Reserves

	Revaluation reserve £	Capital reserve £	Profit and loss account £	Total £
At 1 July 2005	3,768,143	2,251,367	3,014,765	9,034,275
Loss for the year	-	-	(681,137)	(681,137)
Revaluation of investment properties	2,520,000	-	-	2,520,000
At 30 June 2006	6,288,143	2,251,367	2,333,628	10,873,138

16 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
(Loss)/ profit for the financial year	(646,137)	443,973
Dividends	(35,000)	(60,250)
	(681,137)	383,723
Unrealised surplus on property revaluation	2,520,000	200,000
Net addition to shareholders' funds	1,838,863	583,723
Opening shareholders' funds	9,034,375	8,450,652
Closing shareholders' funds	10,873,238	9,034,375

17 Capital Commitments

At the year end there were capital commitments of £268,000 (2005: £998,749).

18 Related party disclosures

At the year end other debtors (Note 9) include the following amount due from:

	2006 £	2005 £
Herclose Investments	7,154	7,154

At the year end creditors (Note 10) include the following amount due from:

	2006 £	2005 £
Belfast Fashions	521,114	659,337
The Progressive Trading Company	200,034	201,938
	721,148	861,275

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 Progressive Trading Company (Belfast).

Fees of £21,705 for property investment services were paid to Mr F Ledwidge, a director of the company.

AS & D Enterprises Limited

Trading Account for the year ended 30 June 2006

	2006 £	2005 £
Property income		
Rents receivable	1,032,285	962,792
Service charge	41,329	41,305
	1,073,614	1,004,097
Expenses	(111,827)	(99,691)
Net rents	961,787	904,406
Administration expenses		
Property Investment Services	21,705	28,690
Directors salaries	24,000	24,000
Office salaries	5,695	5,975
Postage and stationery	22	-
Light and heat	74	107
Company Secretarial and administration services	140	114
Telephone	1,770	1,408
Accountancy and audit	7,413	6,799
Motor and travel	6,793	6,235
General expenses	485	514
Employers' NIC	3,133	3,809
Professional fees	1,951	2,456
Bank fees	354	305
Depreciation	4,249	4,249
	(77,784)	(84,661)
Operating profit	884,003	819,745
Interest receivable	5,915	8,465
Interest payable and similar charges	(172,925)	(198,469)
Profit on ordinary activities before taxation	716,993	629,741
Taxation	(1,363,130)	(185,768)
(Loss)/ profit for the financial year	(646,137)	443,973
Dividends	(35,000)	(60,250)
Transfer (from)/ to reserves	(681,137)	383,723