

Clayside Property Investments Limited
Directors' Report and Financial Statements
for the year ended 31 March 1996



Company Number : 529958 (England and Wales)

Clayside Property Investments Limited

Company Information

Directors	M D Jacobson Mrs A B Jacobson Mrs I R Jacobson
Secretary	W E Fawell
Company Number	529958 (England and Wales)
Registered Office	7 - 15 Pink Lane Newcastle Upon Tyne NE1 5HT
Auditors	Haines Watts Registered Auditors and Chartered Accountants Sterling House 3 Osborne Terrace Jesmond Newcastle Upon Tyne NE2 1QD

Clayside Property Investments Limited

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Clayside Property Investments Limited

Directors' report for the year ended 31 March 1996

The directors present their report and the financial statements for the year ended 31 March 1996.

Principal activities

The company's principal activity continues to be that of ownership of investment properties for lease or rent.

Directors

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	<u>Number of shares</u>	
	<u>31 March 1996</u>	<u>31 March 1995</u>
Malcolm D Jacobson		
Beneficial	1,472	1,693
Non-beneficial	663	663
Mrs A B Jacobson		
Beneficial	221	-
Non-beneficial	400	400
Mrs I R Jacobson		
Beneficial	615	615
Non-beneficial	1,257	1,257
	4,628	4,628
Less: Duplicated (see note below)	400	400
	4,228	4,228

Where more than one director is a trustee, the shareholding of that trust is included in the total interest of each director who is a trustee.

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 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.

Clayside Property Investments Limited

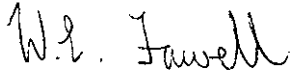
**Directors' report
for the year ended 31 March 1996**

Auditors

The auditors, Haines Watts, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 25 January 1995.

This report was approved by the board on Wednesday 28 August 1996, taking advantage of special exemptions available to small companies, conferred by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the board of directors,

A handwritten signature in dark ink, appearing to read 'W. E. Fawell', written in a cursive style.

W E Fawell

Clayside Property Investments Limited

**Auditors' report
to the Shareholders of Clayside Property Investments Limited**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on Page 1, 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 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 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.

Qualified opinion arising from disagreement about accounting treatment

As more fully explained in note 5 the company's investment properties are stated at cost instead of being revalued to market value as required by Statement of Standard Accounting Practice No. 19.

Except for the failure to account for investment properties in accordance with SSAP 19 and the subsequent adjustments thereon, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Haines Watts

HAINES WATTS

Registered Auditors and
Chartered Accountants
Sterling House
3 Osborne Terrace
Jesmond
Newcastle Upon Tyne
NE2 1QD

Date : 28 August 1996

Clayside Property Investments Limited

**Profit and loss account
for the year ended 31 March 1996**

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
Turnover		501,345	527,220
Administrative expenses		(69,174)	(124,375)
Other operating income		59,403	42,305
Operating profit	2	491,574	445,150
Profit on disposal of investment		-	23,137
Profit on ordinary activities before taxation		491,574	468,287
Taxation	3	(157,693)	(140,256)
Profit on ordinary activities after taxation		333,881	328,031
Dividends	4	(159,408)	(152,766)
Retained profit for the year	11	174,473	175,265

There are no recognised gains and losses other than those included in the profit and loss account.

The notes on pages 6 to 10 form part of these financial statements.

Clayside Property Investments Limited

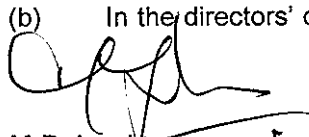
Balance sheet as at 31 March 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
Fixed assets			
Tangible assets	5	1,493,017	1,494,329
Investments	6	100	100
		1,493,117	1,494,429
Current assets			
Debtors	7	62,359	46,561
Investments	8	996,295	840,745
Cash at bank and in hand		3,600	25,414
		1,062,254	912,720
Creditors: amounts falling due within one year	9	253,849	280,100
Net current assets		808,405	632,620
Total assets less current liabilities		2,301,522	2,127,049
Capital and reserves			
Called up share capital	10	4,428	4,428
Share premium account		116,552	116,552
Capital reserve	14	530,710	530,710
Profit and loss account	11	1,649,832	1,475,359
		2,301,522	2,127,049

Approved by the board of directors on Wednesday 28th August 1996 and signed on its behalf.

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.


M D Jackson

The notes on pages 6 to 10 form part of these financial statements.

Clayside Property Investments Limited

Notes to the financial statements for the year ended 31 March 1996

1. Accounting Policies

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents gross rents receivable during the year.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	33 $\frac{1}{3}$ % straight line basis
Motor vehicles	25% reducing balance basis

In accordance with the provisions of Statement of Standard Accounting Practice 19 no provision is made for depreciation in respect of the investment properties.

1.4 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.5 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Operating profit

The operating profit is stated after charging/(crediting):

	<u>1996</u>	<u>1995</u>
	£	£
Pension costs	3,615	3,615
Depreciation of tangible fixed assets	1,617	1,893
Auditors' remuneration	2,467	2,350
Directors' remuneration	32,474	31,609
Interest receivable on bank and short term Investments	(59,403)	(42,305)
	<u> </u>	<u> </u>

Clayside Property Investments Limited

Notes to the financial statements for the year ended 31 March 1996

3. Taxation

	<u>1996</u> £	<u>1995</u> £
UK current year taxation		
UK corporation taxation at 33% (1994 : 33%)	156,500	144,000
Prior years		
UK corporation tax	1,193	(3,744)
	<u>157,693</u>	<u>140,256</u>

4. Dividends

	<u>1996</u> £	<u>1995</u> £
Interim paid	53,136	53,136
Final proposed	106,272	99,630
	<u>159,408</u>	<u>152,766</u>

5. Tangible fixed assets

	<u>Motor vehicles</u> £	<u>Office equipment</u> £	<u>Freehold property</u> £	<u>Total</u> £
Cost				
At 1 April 1995	14,268	2,925	1,489,041	1,506,234
Additions	-	305	-	305
	<u>14,268</u>	<u>3,230</u>	<u>1,489,041</u>	<u>1,506,539</u>
At 31 March 1996	14,268	3,230	1,489,041	1,506,539
Depreciation				
At 1 April 1995	9,763	2,142	-	11,905
Charge for the year	1,126	491	-	1,617
	<u>10,889</u>	<u>2,633</u>	<u>-</u>	<u>13,522</u>
At 31 March 1996	10,889	2,633	-	13,522
Net book value				
At 31 March 1996	<u>3,379</u>	<u>597</u>	<u>1,489,041</u>	<u>1,493,017</u>
At 31 March 1995	<u>4,505</u>	<u>783</u>	<u>1,489,041</u>	<u>1,494,329</u>

No independent valuation of the freehold property has been obtained since the cost of doing so would be excessive. The directors are not qualified to undertake such a valuation.

Clayside Property Investments Limited

**Notes to the financial statements
for the year ended 31 March 1996**

6. Fixed asset investments

	<u>1996</u> £	<u>1995</u> £
Unlisted shares at cost	-	59,293
Less: Provision for diminution in value	-	(43,293)
Sale of shares	-	(16,000)
	-	-
Directors' valuation of unlisted shares		16,000
Interest in subsidiary	100	100
Less: Sale of unlisted shares	-	(16,000)
	100	100

The subsidiary company, Montague Properties Limited, registered in England, had not commenced trading as at 31 March 1996. Group accounts have not been prepared as, in the opinion of the directors, they would be of no real value to members in view of the insignificant amount involved.

7. Debtors: due within one year

	<u>1996</u> £	<u>1995</u> £
Sundry debtors	2,000	2,000
Prepayments and accrued income	60,359	44,561
	62,359	46,561

8. Current asset investments

	<u>1996</u> £	<u>1995</u> £
Short-term bank and building society deposit accounts	996,295	840,745

Clayside Property Investments Limited

**Notes to the financial statements
for the year ended 31 March 1996**

9. Creditors: amounts falling due within one year

	<u>1996</u> £	<u>1995</u> £
Corporation tax	131,593	120,753
Other taxation and social security	5,692	5,795
Dividends	106,272	99,630
Accruals and deferred income	10,292	53,922
	253,849	280,100

10. Called up share capital

	<u>1996</u> £	<u>1995</u> £
Authorised		
Ordinary shares of £1 each	4,500	4,500
Allotted		
Ordinary shares of £1 each, fully paid	4,428	4,428

11. Profit on ordinary activities

	<u>1996</u> £	<u>1995</u> £
Balance at 1 April 1995	1,475,359	1,323,231
Retained profit for the year	174,473	175,265
Transfer to capital reserve	-	(23,137)
Balance at 31 March 1996	1,649,832	1,475,359

12. Reconciliation of movement in shareholders' funds

	<u>1996</u> £	<u>1995</u> £
Profit for the year	333,881	328,031
Dividends	(159,408)	(152,766)
Shareholders' funds at 1 April 1995	174,473	175,265
	2,127,049	1,951,784
Shareholders' funds at 31 March 1996	2,301,522	2,127,049

Clayside Property Investments Limited

**Notes to the financial statements
for the year ended 31 March 1996**

13. Capital commitments

There were no capital commitments authorised or contracted for as at 31 March 1996 or 31 March 1995.

14. Capital reserves

	<u>1996</u> £
Balance at 1 April 1995 and 31 March 1996	530,710
	<u><u> </u></u>