

Clayside Property Investments Limited
Directors' Report and Financial Statements
for the year ended 31 March 1999

Company Number : 529958 (England and Wales)



Clayside Property Investments Limited

Company Information

Directors	M D Jacobson Mrs A B Jacobson Mrs I R Jacobson N Scott
Secretary	W E Fawell
Company Number	529958 (England and Wales)
Registered Office	14 Grainger Suite Dobson House Regent Centre Gosforth Newcastle Upon Tyne NE3 3PF
Auditors	BKR Haines Watts Newcastle Registered Auditors and Chartered Accountants 3 Osborne Terrace Jesmond Newcastle Upon Tyne NE2 1NE

Clayside Property Investments Limited

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Clayside Property Investments Limited

Directors' report for the year ended 31 March 1999

The directors present their report and the financial statements for the year ended 31 March 1999.

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 interests in the company's issued ordinary share capital were:

	<u>Number of shares</u>	
	<u>31 March 1999</u>	<u>31 March 1998</u>
Malcolm D Jacobson		
Beneficial	1,472	1,472
Non-beneficial	663	663
Mrs A B Jacobson		
Beneficial	221	221
Non-beneficial	400	400
Mrs I R Jacobson		
Beneficial	615	615
Non-beneficial	1,257	1,257
Norman Scott	-	-
	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 1999**

Year 2000

The directors have assessed the implications of year 2000 compliance for the company, including making enquiries of the managing agents of the property portfolio and tenants of properties, and have concluded that the risks and uncertainties associated with the year 2000 problems are not material in the context of the company.

Auditors

The auditors, BKR Haines Watts Newcastle, are deemed to be re-appointed 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 7 July 1999, taking advantage of special exemptions available to small companies, conferred by Part VII of the Companies Act 1985.

Signed on behalf of the board of directors,



W E Fawell
Company Secretary

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 1999 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.

BKR Haines Watts Newcastle

BKR Haines Watts Newcastle
Registered Auditors and
Chartered Accountants
3 Osborne Terrace
Jesmond
Newcastle Upon Tyne
NE2 1NE

Date : 13 July 1999

Clayside Property Investments Limited

**Profit and loss account
for the year ended 31 March 1999**

	<u>Note</u>	<u>1999</u> £	<u>1998</u> £
Turnover		585,973	562,324
Administrative expenses		(134,075)	(99,618)
Loss on disposal of investment properties		-	(87,707)
Investment income		96,522	76,976
Operating profit	2	548,420	451, 975
Profit on ordinary activities before taxation		548,420	451,975
Taxation	3	(151,993)	(143,424)
Profit on ordinary activities after taxation		396,427	308,551
Dividends	4	(188,190)	(177,120)
Retained profit transferred to reserves	12	208,237	131,431

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

There were no acquisitions or discontinued operations during the current or preceding year.

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

Clayside Property Investments Limited

Balance sheet as at 31 March 1999

	<u>Note</u>	£	<u>1999</u> £	£	<u>1998</u> £
Fixed assets					
Tangible assets	5		1,896,954		1,474,288
Investments	6		100		100
			1,897,054		1,474,388
Current assets					
Debtors	7	60,606		89,599	
Investments	8	1,129,021		1,339,203	
Cash at bank and in hand		2,983		3,013	
		1,192,610		1,431,815	
Creditors: amounts falling due within one year	9	264,169		288,945	
Net current assets			928,441		1,142,870
Total assets less current liabilities			2,825,495		2,617,258
Capital and reserves					
Called up share capital	11		4,428		4,428
Share premium account	14		116,552		116,552
Capital reserve	14		443,003		443,003
Profit and loss account	12		2,261,512		2,053,275
			2,825,495		2,617,258

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

 M.D. Jacobson

7 July 1999

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 1999

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

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 for one director 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):

	1999	1998
	£	£
Operating lease rentals	4,020	3,730
Pension costs	3,615	3,615
Depreciation of tangible fixed assets	256	256
Auditors' remuneration	2,644	2,567
Directors' remuneration (including pension costs)	33,615	35,993
Interest receivable on bank and short term investments	(96,522)	(76,976)
	<u> </u>	<u> </u>

Clayside Property Investments Limited

**Notes to the financial statements
for the year ended 31 March 1999**

3. Taxation

	<u>1999</u> £	<u>1998</u> £
UK current year taxation		
UK corporation taxation at 29% (1998 : 27%)	153,000	145,000
Prior years		
UK corporation tax	(1,007)	(1,576)
	<u>151,993</u>	<u>143,424</u>

4. Dividends

	<u>1999</u> £	<u>1998</u> £
Interim paid	61,992	59,778
Final proposed	126,198	117,342
	<u>188,190</u>	<u>177,120</u>

5. Tangible fixed assets

	<u>Office equipment</u> £	<u>Freehold property</u> £	<u>Total</u> £
Cost			
At 1 April 1998	3,689	1,473,979	1,477,668
Additions	-	422,922	422,922
Disposals	-	-	-
	<u>3,689</u>	<u>1,896,901</u>	<u>1,900,590</u>
At 31 March 1999	3,689	1,896,901	1,900,590
Depreciation			
At 1 April 1998	3,380	-	3,380
Charge for the year	256	-	256
Disposals	-	-	-
	<u>3,636</u>	<u>-</u>	<u>3,636</u>
At 31 March 1999	3,636	-	3,636
Net book value			
At 31 March 1999	53	1,896,901	1,896,954
	<u>53</u>	<u>1,896,901</u>	<u>1,896,954</u>
At 31 March 1998	309	1,473,979	1,474,288
	<u>309</u>	<u>1,473,979</u>	<u>1,474,288</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 1999**

6. Fixed asset investments

	<u>1999</u> £	<u>1998</u> £
Interest in subsidiary	100	100
	<u> </u>	<u> </u>

The subsidiary company, Montagu Properties Limited, registered in England, had not commenced trading as at 31 March 1999. 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>1999</u> £	<u>1998</u> £
Due within one year		
Sundry debtors	12,624	3,000
Prepayments and accrued income	47,982	57,264
	<u> </u>	<u> </u>
	60,606	60,264
Due after one year		
ACT on proposed dividend	-	29,335
	<u> </u>	<u> </u>
	60,606	89,599
	<u> </u>	<u> </u>

8. Current asset investments

	<u>1999</u> £	<u>1998</u> £
Short-term bank deposit accounts	1,129,021	1,339,203
	<u> </u>	<u> </u>

9. Creditors: amounts falling due within one year

	<u>1999</u> £	<u>1998</u> £
Corporation tax	123,665	146,383
Other taxation and social security	5,324	5,456
Dividends	126,198	117,342
Accruals and deferred income	8,982	19,764
	<u> </u>	<u> </u>
	264,169	288,945
	<u> </u>	<u> </u>

Clayside Property Investments Limited

**Notes to the financial statements
for the year ended 31 March 1999**

10. Capital commitments

There were capital commitments authorised and contracted for as at 31 March 1999 of £7,500 31 March 1998 (nil).

11. Called up share capital

	<u>1999</u> £	<u>1998</u> £
Authorised		
Ordinary shares of £1 each	4,500	4,500
	<u> </u>	<u> </u>
Allotted		
Ordinary shares of £1 each, fully paid	4,428	4,428
	<u> </u>	<u> </u>

12. Profit and loss account

	<u>1999</u> £	<u>1998</u> £
Balance at 1 April 1998	2,053,275	1,834,137
Retained profit for the year	208,237	131,431
Transfer from capital reserve	-	87,707
	<u> </u>	<u> </u>
Balance at 31 March 1999	2,261,512	2,053,275
	<u> </u>	<u> </u>

13. Reconciliation of movement in shareholders' funds

	<u>1999</u> £	<u>1998</u> £
Profit for the year	396,427	308,551
Dividends	(188,190)	(177,120)
	<u> </u>	<u> </u>
	208,237	131,431
Shareholders' funds at 1 April 1998	2,617,258	2,485,827
	<u> </u>	<u> </u>
Shareholders' funds at 31 March 1999	2,825,495	2,617,258
	<u> </u>	<u> </u>

Clayside Property Investments Limited

**Notes to the financial statements
for the year ended 31 March 1999**

14. Reserves

	<u>Share Premium</u> <u>account</u> £	<u>Capital</u> <u>reserve</u> £	<u>Profit and Loss</u> <u>account</u> £	<u>Total</u> £
At 1 April 1998	116,552	443,003	2,053,275	2,612,830
Retained profit for the year	-	-	208,237	208,237
At 31 March 1999	116,552	443,003	2,261,512	2,821,067

15. Control

The company is under the control of M D Jacobson, Mrs A B Jacobson and Mrs I R Jacobson.