

Company Registration No. 529958 (England and Wales)

CLAYSIDE PROPERTY INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005



CLAYSIDE PROPERTY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	MD Jacobson AB Jacobson IR Jacobson N Scott
Secretary	WE Fawell
Company number	529958
Registered office	14 Grainger Suite Dobson House Regent Centre Gosforth Newcastle Upon Tyne NE3 3PF
Auditors	Haines Watts Floor 11 Cale Cross House 156 Pilgrim Street Newcastle upon Tyne NE1 6SU

CLAYSIDE PROPERTY INVESTMENTS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

CLAYSIDE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

Principal activities

The principal activity of the company continued to be that of ownership of investment properties for lease or rent. The directors are satisfied with the performance of the company during the year.

Dividends

The directors are proposing a final dividend of £39.50 per share (2004; £36.50). An interim dividend of £17.50 per share (2004; £17.50) has been paid during the year.

Directors

The following directors have held office since 1 April 2004:

MD Jacobson
AB Jacobson
IR Jacobson
N Scott

Directors' interests

The directors' beneficial and non-beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each of each	
	31 March 2005	1 April 2004
MD Jacobson	2,135	2,135
AB Jacobson	221	221
IR Jacobson	1,472	1,472
N Scott	-	-

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

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Haines Watts be reappointed as auditors of the company will be put to the Annual General Meeting.

CLAYSIDE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

Directors' responsibilities

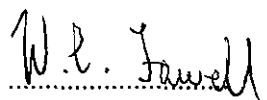
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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.

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

By order of the board



WE Fawell

Secretary

31/8/05

CLAYSIDE PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CLAYSIDE PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of Clayside Property Investments Limited on pages 5 to 12 for the year ended 31 March 2005. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company 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 United Kingdom 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.

CLAYSIDE PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF CLAYSIDE PROPERTY INVESTMENTS LIMITED

Qualified opinion arising from disagreement about accounting treatment

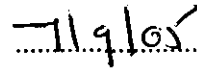
As more fully explained in note 7, the company's investment properties are stated at cost instead of being revalued to market value as required by Statement of Standard Accounting Practice No. 19.

Except for the failure to account for investment properties in accordance with SSAP 19 and the subsequent adjustment thereon, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 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

Chartered Accountants
Registered Auditor



Floor 11
Cale Cross House
156 Pilgrim Street
Newcastle upon Tyne
NE1 6SU

CLAYSIDE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Turnover		733,171	698,488
Administrative expenses		(172,196)	(157,200)
Other operating income		123,503	89,763
Operating profit	2	684,478	631,051
Investment income	3	315,082	66,419
Other interest receivable and similar income	3	874	120
Interest payable and similar charges		(1,241)	-
Profit on ordinary activities before taxation		999,193	697,590
Tax on profit on ordinary activities	4	(220,986)	(147,640)
Profit on ordinary activities after taxation		778,207	549,950
Dividends	5	(252,396)	(239,112)
Retained profit for the year	14	525,811	310,838

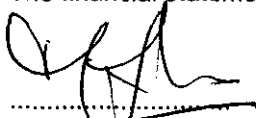
CLAYSIDE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	6 and 7	2,400,350		2,483,802	
Investments	8	100		100	
		<u>2,400,450</u>		<u>2,483,902</u>	
Current assets					
Debtors	9	109,359		118,206	
Investments	10	3,461,044		2,767,617	
Cash at bank and in hand		2,895		1,098	
		<u>3,573,298</u>		<u>2,886,921</u>	
Creditors: amounts falling due within one year	11	<u>(446,592)</u>		<u>(369,478)</u>	
Net current assets		<u>3,126,706</u>		<u>2,517,443</u>	
Total assets less current liabilities		<u>5,527,156</u>		<u>5,001,345</u>	
Capital and reserves					
Called up share capital	13	4,428		4,428	
Share premium account	14	116,552		116,552	
Other reserves	14	1,806,803		1,520,257	
Profit and loss account	14	3,599,373		3,360,108	
Shareholders' funds		<u>5,527,156</u>		<u>5,001,345</u>	

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

The financial statements were approved by the Board on 31 / 8 / 05



MD Jacobson
Director

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards 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 estimated residual value, over their expected useful lives, on the following basis:

Fixtures, fittings & equipment	33 1/3% straight line basis
--------------------------------	-----------------------------

1.4 Fixed Asset Investments

The investment held is in a subsidiary undertaking valued at cost.

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

1.5 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.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences 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 foreseeable future.

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

2	Operating profit	2005 £	2004 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	217	216
	Auditors' remuneration	3,900	5,369
	Directors' emoluments	42,915	39,365
		<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004 - 1).

3	Investment income	2005 £	2004 £
	Profit on disposal of investment property	315,082	66,419
	Other interest	874	120
		<u> </u>	<u> </u>
		315,956	66,539
		<u> </u>	<u> </u>

4	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	208,377	156,000
	Adjustment for prior years	12,609	(8,360)
		<u> </u>	<u> </u>
	Current tax charge	220,986	147,640
		<u> </u>	<u> </u>

5	Dividends	2005 £	2004 £
	Ordinary interim paid	77,490	77,490
	Ordinary final proposed	174,906	161,622
		<u> </u>	<u> </u>
		252,396	239,112
		<u> </u>	<u> </u>

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2004	648
Disposals	(160)
At 31 March 2005	488
Depreciation	
At 1 April 2004	269
On disposals	(160)
Charge for the year	217
At 31 March 2005	326
Net book value	
At 31 March 2005	162
At 31 March 2004	379

7 Tangible fixed assets

	Investment properties
	£
Cost	
At 1 April 2004	2,483,423
Additions	38,500
Disposals	(121,735)
At 31 March 2005	2,400,188

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 (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

8 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2004 & at 31 March 2005	100
Provisions for diminution in value	
At 1 April 2004 & at 31 March 2005	-
Net book value	
At 1 April 2004 & at 31 March 2005	100

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Montagu Properties Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2005 £	Profit for the year 2005 £
Montagu Properties Limited	100	-

9 Debtors

	2005 £	2004 £
Other debtors	109,359	118,206

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

10	Current asset investments	2005 £	2004 £
	Other investments	3,461,044	2,767,617

11	Creditors: amounts falling due within one year	2005 £	2004 £
	Trade creditors	350	-
	Taxation and social security	228,638	163,073
	Other creditors	217,604	206,405
		446,592	369,478

12 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	3,615	3,615

13	Share capital	2005 £	2004 £
	Authorised		
	4,500 Ordinary shares of £1 each of each	4,500	4,500
	Allotted, called up and fully paid		
	4,428 Ordinary shares of £1 each of each	4,428	4,428

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

14 Statement of movements on reserves

	Share premium account £	Capital reserve £	Profit and loss account £
Balance at 1 April 2004	116,552	1,520,257	3,360,108
Retained profit for the year	-	-	525,811
Transfer to capital reserve of profit on disposal of investment property (net of tax)	-	286,546	(286,546)
Balance at 31 March 2005	<u>116,552</u>	<u>1,806,803</u>	<u>3,599,373</u>

In accordance with the company's Memorandum and Articles of Association, the profit on sale of the investment property (net of tax) has been transferred to the capital reserve.

15 Control

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