

Company Registration No. 529958 (England and Wales)

CLAYSIDE PROPERTY INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006



CLAYSIDE PROPERTY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	MD Jacobson Mrs AB Jacobson Mrs 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

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CLAYSIDE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

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.

Directors

The following directors have held office since 1 April 2005:

MD Jacobson
Mrs AB Jacobson
Mrs IR Jacobson
N Scott

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 March 2006	1 April 2005
MD Jacobson	2,135	2,135
Mrs AB Jacobson	221	221
Mrs 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 2006

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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

W. P. Fawell 30-08-2006

WE Fawell
Secretary

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 13 for the year ended 31 March 2006. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 or 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.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

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 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 6, 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 2006 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.

The information given in the directors' report is consistent with the financial statements.

Haines Watts

Chartered Accountants
Registered Auditor

Haines Watts

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

8 September 2006

CLAYSIDE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

		2006	2005
	Notes	£	as restated £
Turnover		726,843	733,171
Administrative expenses		(119,821)	(172,196)
Other operating income		152,085	123,503
Operating profit	2	759,107	684,478
Investment income	3	1,255,578	315,082
Other interest receivable and similar income	3	495	874
Interest payable and similar charges		(159)	(1,241)
Profit on ordinary activities before taxation		2,015,021	999,193
Tax on profit on ordinary activities	4	(508,066)	(220,986)
Profit on ordinary activities after taxation		1,506,955	778,207
Dividends	5	(256,824)	(239,112)
Retained profit for the year	14	1,250,131	539,095

CLAYSIDE PROPERTY INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2006

	2006 £	2005 £
Profit for the financial year	1,506,955	778,207
Prior year adjustment	<u>174,906</u>	<u>161,622</u>
Total gains and losses recognised since last financial statements	<u>1,681,861</u>	<u>939,829</u>

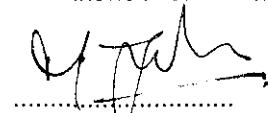
CLAYSIDE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006		2005 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	6 and 7		2,244,666		2,400,350
Investments	8		100		100
			<u>2,244,766</u>		<u>2,400,450</u>
Current assets					
Debtors	9	151,345		109,359	
Investments	10	5,305,408		3,461,044	
Cash at bank and in hand		1,231		2,895	
		<u>5,457,984</u>		<u>3,573,298</u>	
Creditors: amounts falling due within one year	11	(750,557)		(271,686)	
Net current assets			<u>4,707,427</u>		<u>3,301,612</u>
Total assets less current liabilities			<u>6,952,193</u>		<u>5,702,062</u>
Capital and reserves					
Called up share capital	13		4,428		4,428
Share premium account	14		116,552		116,552
Other reserves	14		2,780,706		1,806,803
Profit and loss account	14		4,050,507		3,774,279
Shareholders' funds	15		<u>6,952,193</u>		<u>5,702,062</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 January 2005).

The financial statements were approved by the Board on 30 AUG 2006



MD Jacobson
Director

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents gross rents receivable during the year.

1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	33 1/3% straight line basis
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1.5 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.

Current asset investments are stated at the lower of cost and net realisable value.

1.6 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.

1.7 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.

1.8 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 2006

2	Operating profit	2006	2005
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	162	217
	Auditors' remuneration	4,566	3,900
	Directors' emoluments	42,915	42,915
		<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2005 - 1).

3	Investment income	2006	2005
		£	£
	Profit on disposal of investment property	1,255,578	315,082
	Other interest	495	874
		<u> </u>	<u> </u>
		1,256,073	315,956
		<u> </u>	<u> </u>

4	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U.K. corporation tax	508,000	208,377
	Adjustment for prior years	66	12,609
		<u> </u>	<u> </u>
	Current tax charge	508,066	220,986
		<u> </u>	<u> </u>

5	Dividends	2006	2005
		£	£
	Ordinary interim paid	256,824	239,112
		<u> </u>	<u> </u>

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2005 & at 31 March 2006	488
Depreciation	
At 1 April 2005	326
Charge for the year	162
At 31 March 2006	488
Net book value	
At 31 March 2006	-
At 31 March 2005	162

7 Tangible fixed assets

	Investment properties
	£
Cost	
At 1 April 2005	2,400,188
Disposals	(155,522)
At 31 March 2006	2,244,666

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 2006

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2005 & at 31 March 2006	100
Provisions for diminution in value	
At 1 April 2005 & at 31 March 2006	-
Net book value	
At 31 March 2006	100
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	Class	Shares held %
Subsidiary undertakings			
Montagu Properties Limited	England and Wales	Ordinary	100.00

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 2006 £	Profit for the year 2006 £
Montagu Properties Limited	Principal activity Dormant company	100	-

9 Debtors

	2006 £	2005 £
Other debtors	151,345	109,359

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

10	Current asset investments	2006 £	2005 £
	Other investments	5,305,408	3,461,044

11	Creditors: amounts falling due within one year	2006 £	2005 £
	Trade creditors	585	350
	Taxation and social security	515,711	228,638
	Other creditors	234,261	42,698
		750,557	271,686

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

	2006 £	2005 £
Contributions payable by the company for the year	3,615	3,615
13 Share capital	2006 £	2005 £
Authorised		
4,500 Ordinary of £1 each	4,500	4,500
Allotted, called up and fully paid		
4,428 Ordinary of £1 each	4,428	4,428

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

14 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2005 as previously reported	116,552	1,806,803	3,599,373
Prior year adjustment	-	-	174,906
Balance at 1 April 2005 as restated	116,552	1,806,803	3,774,279
Retained profit for the year	-	-	1,250,131
Transfer to capital reserve of profit on disposal of investment property (net of tax)	-	973,903	(973,903)
Balance at 31 March 2006	116,552	2,780,706	4,050,507

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.

The prior year adjustment has arisen as a result of a change in accounting policy relating to the recognition of dividends following the introduction of the Financial Reporting Standards for Smaller Entities (January 2005). Comparative numbers have been re-stated to reflect this change in accounting policy.

15 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	1,506,955	778,207
Dividends	(256,824)	(239,112)
	1,250,131	539,095
Movements on other reserves	973,903	286,546
Net addition to shareholders' funds	2,224,034	825,641
Opening shareholders' funds	5,702,062	4,876,421
Closing shareholders' funds	6,952,193	5,702,062

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.

16 Control

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

CLAYSIDE PROPERTY INVESTMENTS LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2006

CLAYSIDE PROPERTY INVESTMENTS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	2006	2005
	£	£
Turnover		
Rent receivable	726,843	733,171
Administrative expenses	(119,821)	(172,196)
	607,022	560,975
Other operating income		
Sundry income	152,085	123,503
Operating profit	759,107	684,478
Other interest receivable and similar income		
Other interest received	495	874
Income from investments		
Profit on disposal of investment property	1,255,578	315,082

CLAYSIDE PROPERTY INVESTMENTS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

		2006		2005
	£	£	£	£
Interest payable				
Interest on overdue taxation payable	-		1,241	
Interest on overdue tax paid	159		-	
		(159)		(1,241)
Profit before taxation	277.23%	<u>2,015,021</u>	136.28%	<u>999,193</u>

CLAYSIDE PROPERTY INVESTMENTS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2006

	2006 £	2005 £
Administrative expenses		
Wages and salaries (excl. N.I.)	8,000	8,000
Employer's N.I. contributions	4,379	4,417
Directors' pension costs	3,615	3,615
Directors' fees	39,300	39,300
Service charge recoverable	(55,214)	(16,243)
Rent re licences and other	4,335	3,850
Rates	928	4,240
Management fees	28,795	30,136
Insurance	39,511	34,928
Light and heat	(258)	1,887
Cleaning	4,006	6,840
Repairs and maintenance	12,765	(2,421)
Printing, postage and stationery	162	268
Telephone	196	205
Computer running costs	132	244
Motor running expenses	242	576
Travelling expenses	143	340
Lift expense	3,724	2,590
Legal and prof fees - allowable	4,138	18,108
Accountancy	2,500	4,025
Audit fees	4,566	3,900
Bank charges	375	352
Health and safety	6,450	5,272
Sundry expenses - allowable	177	121
Rent Reviews	3,600	14,734
Subscriptions - allowable	332	139
Fire Equipment	2,760	2,556
Depreciation on FF & E	162	217
	<u>119,821</u>	<u>172,196</u>