

Company Registration No 529958 (England and Wales)

CLAYSIDE PROPERTY INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007



CLAYSIDE PROPERTY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	MD Jacobson Mrs AB Jacobson Mrs IR Jacobson N Scott
Secretary	N Scott
Company number	529958
Registered office	14 Grainger Suite Dobson House Regent Centre Gosforth Newcastle Upon Tyne NE3 3PF
Auditors	HW 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 2007

The directors present their report and financial statements for the year ended 31 March 2007

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 2006

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 2007	1 April 2006
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 director who is a trustee.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HW 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 2007

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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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

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



N Scott

Secretary

6 Sept 07

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 for the year ended 31 March 2007 which comprise of Profit and Loss Account, Balance Sheet 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).

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 auditors' 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, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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 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 in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended and 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

HW

Chartered Accountants
Registered Auditor

HW.

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

7 September 2007

CLAYSIDE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 £
Turnover		607,124	726,843
Administrative expenses		(94,846)	(119,821)
Other operating income		244,626	152,085
Operating profit	2	756,904	759,107
Exceptional item	2	(124,042)	-
Profit on ordinary activities before interest		632,862	759,107
Investment income	3	237,639	1,255,578
Other interest receivable and similar income	3	879	495
Interest payable and similar charges		-	(159)
Profit on ordinary activities before taxation		871,380	2,015,021
Tax on profit on ordinary activities	4	(200,237)	(508,066)
Profit for the year	14	671,143	1,506,955

CLAYSIDE PROPERTY INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 £
Profit for the financial year		671,143	1,506,955
Prior year adjustment	14	-	174,906
Total gains and losses recognised since last financial statements		<u>671,143</u>	<u>1,681,861</u>

CLAYSIDE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	6 and 7	2,241,310		2,244,666	
Investments	8	100		100	
		<u>2,241,410</u>		<u>2,244,766</u>	
Current assets					
Debtors	9	124,488		151,345	
Investments	10	5,242,306		5,305,408	
Cash at bank and in hand		3,990		1,231	
		<u>5,370,784</u>		<u>5,457,984</u>	
Creditors: amounts falling due within one year	11	(256,752)		(750,557)	
Net current assets		<u>5,114,032</u>		<u>4,707,427</u>	
Total assets less current liabilities		<u>7,355,442</u>		<u>6,952,193</u>	
Capital and reserves					
Called up share capital	13	4,428		4,428	
Share premium account	14	116,552		116,552	
Other reserves	14	2,985,384		2,780,706	
Profit and loss account	14	4,249,078		4,050,507	
Shareholders' funds	15	<u>7,355,442</u>		<u>6,952,193</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 6 Sept 07


MD Jacobson
Director

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 2007

2	Operating profit	2007	2006
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	-	162
	Auditors' remuneration	4,300	4,566
	Directors' emoluments	45,865	42,915
		<u></u>	<u></u>

Exceptional item	2007	2,006
	£	£

Exceptional costs of £124,042 relate to damage sustained to 17 St George Street, as follows,

Legal and professional costs	29,510	-
Repairs and maintenance	5,090	-
Irrecoverable rental income written off	89,442	-
	<u></u>	<u></u>
	124,042	-
	<u></u>	<u></u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2006 - 1)

3	Investment income	2007	2006
		£	£
	Profit on disposal of investment property	237,639	1,255,578
	Other interest	879	495
		<u></u>	<u></u>
		238,518	1,256,073
		<u></u>	<u></u>

4	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	201,000	508,000
	Adjustment for prior years	(763)	66
		<u></u>	<u></u>
	Current tax charge	200,237	508,066
		<u></u>	<u></u>

5	Dividends	2007	2006
		£	£
	Ordinary interim paid	267,894	256,824
		<u></u>	<u></u>

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

6 Tangible fixed assets

Plant and machinery etc

	£
Cost	
At 1 April 2006 & at 31 March 2007	488
Depreciation	
At 1 April 2006 & at 31 March 2007	488
Net book value	
At 31 March 2007	-

7 Tangible fixed assets

Investment properties £

Cost	
At 1 April 2006	2,244,666
Disposals	(3,356)
At 31 March 2007	2,241,310

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.

All the above investment properties are held for use in operating lease contracts.

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2006 & at 31 March 2007	100
Provisions for diminution in value	
At 1 April 2006 & at 31 March 2007	-
Net book value	
At 31 March 2007	100
At 31 March 2006	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 2007 £	Profit for the year 2007 £
Montagu Properties Limited	Principal activity Dormant company	100	-

9 Debtors

	2007 £	2006 £
Other debtors	124,488	151,345

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

10	Current asset investments	2007 £	2006 £
	Other investments	5,242,306	5,305,408

11	Creditors: amounts falling due within one year	2007 £	2006 £
	Trade creditors	590	585
	Taxation and social security	209,204	515,711
	Other creditors	46,958	234,261
		256,752	750,557

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

	2007 £	2006 £
Contributions payable by the company for the year	3,615	3,615

13	Share capital	2007 £	2006 £
	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 2007

14 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2006	116,552	2,780,706	4,050,507
Profit for the year	-	-	671,143
Transfer to capital reserve of profit on disposal of investment property (net of tax)	-	204,678	(204,678)
Dividends paid	-	-	(267,894)
Balance at 31 March 2007	116,552	2,985,384	4,249,078

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

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

15 Reconciliation of movements in shareholders' funds	2007 £	2006 £
Profit for the financial year	671,143	1,506,955
Dividends	(267,894)	(256,824)
Transfer to capital reserve	(167,831)	(973,903)
	195,418	276,228
Transfer from profit and loss account	204,678	973,903
Net addition to shareholders' funds	363,248	1,250,131
Opening shareholders' funds	6,952,193	4,728,159
Closing shareholders' funds	7,355,442	6,952,193

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 2007

CLAYSIDE PROPERTY INVESTMENTS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2007

		2007		2006
	£	£	£	£
Turnover				
Rent receivable		607,124		726,843
Administrative expenses		(94,846)		(119,821)
		<u>512,278</u>		<u>607,022</u>
Other operating income				
Sundry income		244,626		152,085
		<u>756,904</u>		<u>759,107</u>
Operating profit				
Exceptional items				
Exceptional item	(124,042)		-	
		<u>(124,042)</u>		<u>-</u>
Other interest receivable and similar income				
Other interest received		879		495
Income from investments				
Profit on disposal of investment property		237,639		1,255,578
Interest payable				
Interest on overdue tax paid		-		(159)
Profit before taxation	143 53%	<u>871,380</u>	277 23%	<u>2,015,021</u>

CLAYSIDE PROPERTY INVESTMENTS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2007

	2007	2006
	£	£
Administrative expenses		
Wages and salaries (excl N I)	8,750	8,000
Employer's N I contributions	4,759	4,379
Directors' pension costs	3,615	3,615
Directors' fees	42,250	39,300
Service charge recoverable	(54,697)	(55,214)
Rent re licences and other	4,740	4,335
Rates	554	928
Management fees	22,355	28,795
Insurance	38,233	39,511
Light and heat	1,341	(258)
Cleaning	533	4,006
Repairs and maintenance	2,371	12,765
Printing, postage and stationery	111	162
Telephone	214	196
Computer running costs	112	132
Motor running expenses	132	242
Travelling expenses	228	143
Lift expense	976	3,724
Legal and prof fees	7,159	4,138
Accountancy	-	2,500
Audit fees	4,300	4,566
Bank charges	370	375
Health and safety	2,448	6,450
Sundry expenses	58	177
Rent Reviews	3,188	3,600
Subscriptions	177	332
Fire Equipment	569	2,760
Depreciation on FF & E	-	162
	<u>94,846</u>	<u>119,821</u>