

CLAYSIDE PROPERTY INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008



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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 2008

The directors present their report and financial statements for the year ended 31 March 2008

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 2007

MD Jacobson
Mrs AB Jacobson
Mrs IR Jacobson
N Scott

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.

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 auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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
10-10-08

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 2008 set out on pages 4 to 11. 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 2007).

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

In addition we 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 7, the company's investment properties are stated at cost rather than being revalued to market value as required by the Financial Reporting Standard for Smaller Entities (FRSSE)

Except for the failure to account for investment properties in accordance with the FRSSE 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 2008 and of its profit for the year then ended,
- the financial statements 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

HW

Chartered Accountants
Registered Auditor

15 October 2008

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 2008

	Notes	2008 £	2007 £
Turnover		565,560	607,124
Administrative expenses		(175,012)	(94,846)
Other operating income		273,484	244,626
Operating profit	2	664,032	756,904
Exceptional item	2	(332,675)	(124,042)
Profit on ordinary activities before interest		331,357	632,862
Investment income	3	-	237,639
Other interest receivable and similar income	3	1,038	879
Profit on ordinary activities before taxation		332,395	871,380
Tax on profit on ordinary activities	4	(52,512)	(200,237)
Profit for the year	14	279,883	671,143

CLAYSIDE PROPERTY INVESTMENTS LIMITED

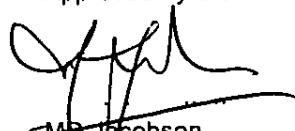
BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6 and 7	2,414,773		2,241,310	
Investments	8	100		100	
		<u>2,414,873</u>		<u>2,241,410</u>	
Current assets					
Debtors	9	137,427		124,488	
Investments	10	4,952,813		5,242,306	
Cash at bank and in hand		17,311		3,990	
		<u>5,107,551</u>		<u>5,370,784</u>	
Creditors: amounts falling due within one year	11	<u>(152,779)</u>		<u>(256,752)</u>	
Net current assets		<u>4,954,772</u>		<u>5,114,032</u>	
Total assets less current liabilities		<u><u>7,369,645</u></u>		<u><u>7,355,442</u></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		2,985,384	
Profit and loss account	14	4,263,281		4,249,078	
Shareholders' funds		<u><u>7,369,645</u></u>		<u><u>7,355,442</u></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 2007)

Approved by the Board for issue on 10/10/08


MD Jacobson,
Director

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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 2007)

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
--------------------------------	-----------------------------

Investment properties are included in the balance sheet at cost. This is a departure from the Financial Reporting Standard for Smaller Entities (effective January 2007) which requires investment properties to be shown at open market value

1.5 Investments

Fixed asset investment held is in a subsidiary undertaking held at cost

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

1.6 Revenue recognition

Revenue is recognised when rent is due

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 2008

2	Operating profit	2008 £	2007 £
	Operating profit is stated after charging		
	Auditors' remuneration	5,350	4,300
	Directors' emoluments	49,922	45,865

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 1)

Exceptional item

Exceptional costs of £332,675 (2007, costs of £124,042) relate to damage sustained and reinstatement of 17 St George Street, as follows

	2008 £	2007 £
Legal and professional costs	(41,119)	(29,510)
Repairs and maintenance	(319,220)	(5,090)
Irrecoverable rental income written back/(written off)	27,664	(89,442)
	(332,675)	(124,042)

3	Investment income	2008 £	2007 £
	Profit on disposal of investment property	-	237,639
	Other interest	1,038	879
		1,038	238,518

4	Taxation	2008 £	2007 £
	Domestic current year tax		
	U K corporation tax	53,128	201,000
	Adjustment for prior years	(616)	(763)
	Current tax charge	52,512	200,237

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

5	Dividends	2008 £	2007 £
	Ordinary interim paid	<u>265,680</u>	<u>267,894</u>

6	Tangible fixed assets	Plant and machinery etc £
	Cost	
	At 1 April 2007	488
	Disposals	(488)
	At 31 March 2008	<u>-</u>
	Depreciation	
	At 1 April 2007	488
	On disposals	(488)
	At 31 March 2008	<u>-</u>
	Net book value	
	At 31 March 2008	<u>-</u>
	At 31 March 2007	<u>-</u>

7	Tangible fixed assets	Investment properties £
	Cost	
	At 1 April 2007	2,241,310
	Additions	173,463
	At 31 March 2008	<u>2,414,773</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.

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 2008

8 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2007 & at 31 March 2008	100
Net book value	
At 31 March 2008	100
At 31 March 2007	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 2008 £	Profit/(loss) for the year 2008 £
Montagu Properties Limited	Principal activity Dormant company	100	-

9 Debtors

	2008 £	2007 £
Trade debtors	32,465	33,813
Other debtors	104,962	90,675
	137,427	124,488

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

10	Current asset investments	2008	2007
		£	£
	Other investments	4,952,813	5,242,306
		<u> </u>	<u> </u>
11	Creditors, amounts falling due within one year	2008	2007
		£	£
	Trade creditors	10,391	590
	Taxation and social security	64,758	209,204
	Other creditors	77,630	46,958
		<u> </u>	<u> </u>
		152,779	256,752
		<u> </u>	<u> </u>
12	Pension costs		
	Defined contribution		
	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.		
		2008	2007
		£	£
	Contributions payable by the company for the year	-	3,615
		<u> </u>	<u> </u>
13	Share capital	2008	2007
		£	£
	Authorised		
	4,500 Ordinary of £1 each	4,500	4,500
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	4,428 Ordinary of £1 each	4,428	4,428
		<u> </u>	<u> </u>

CLAYSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

14 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2007	116,552	2,985,384	4,249,078
Profit for the year	-	-	279,883
Dividends paid	-	-	(265,680)
Balance at 31 March 2008	<u>116,552</u>	<u>2,985,384</u>	<u>4,263,281</u>
Other reserves			
Capital Reserve			
Balance at 1 April 2007 & at 31 March 2008		<u>2,985,384</u>	

In accordance with the company's memorandum and Articles of Association, the profit on sale of investment property (net of tax) is transferred into a capital reserve

15 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 2008

CLAYSIDE PROPERTY INVESTMENTS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

	£	2008 £	£	2007 £
Turnover				
Sales class 1 - UK		530		-
Rent receivable		565,030		607,124
		<u>565,560</u>		<u>607,124</u>
Administrative expenses		(175,012)		(94,846)
		<u>390,548</u>		<u>512,278</u>
Other operating income				
Sundry income		273,484		244,626
		<u>664,032</u>		<u>756,904</u>
Operating profit				
Exceptional items				
Exceptional item	(332,675)		(124,042)	
		<u>(332,675)</u>		<u>(124,042)</u>
Other interest receivable and similar income				
Other interest received		1,038		879
Income from investments				
Profit on disposal of investment property		-		237,639
Profit before taxation	58 77%	<u>332,395</u>	143 53%	<u>871,380</u>

CLAYSIDE PROPERTY INVESTMENTS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2008

	2008 £	2007 £
Administrative expenses		
Wages and salaries (excl N I)	1,078	8,750
Employer's N I contributions	4,775	4,759
Directors' pension costs	-	3,615
Directors' fees	49,922	42,250
Service charge recoverable	(22,252)	(54,697)
Rent re licences and other	4,345	4,740
Rates	309	554
Management fees	35,547	22,355
Insurance	41,342	38,233
Light and heat	97	1,341
Cleaning	861	533
Repairs and maintenance	1,915	2,371
Printing, postage and stationery	609	111
Telephone	321	214
Computer running costs	-	112
Motor running expenses	-	132
Travelling expenses	566	228
Lift expense	795	976
Legal and prof fees	1,880	7,159
Legal and prof fees- other	44,996	3,188
Audit fees	5,350	4,300
Bank charges	325	370
Health and safety	1,981	2,448
Sundry expenses	59	58
Subscriptions	191	177
Fire Equipment	-	569
	<u>175,012</u>	<u>94,846</u>