

Advance Property Investments Limited

**Directors' report and financial
statements**

Registered number 533765

31 August 2000



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2000.

Financial

The profit for the year after taxation amounted to £12,667 (1999 : £12,460). The directors recommend no dividend be paid in respect of the year ended 31 August 2000.

Activities

The company carried on the activity of property investment.

The directors are satisfied with the result for the year.

Freehold investment property

Information relating to freehold investment property is given in note 6 to the financial statements.

Directors

The directors who served during the year were as follows:

Mrs HJ Craven
JH McLauchlan - alternate director

Mrs HJ Craven had an interest in the whole of the company's issued shares throughout the year ended 31 August 2000.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

H Foster
Secretary



Misterton Hall
Lutterworth

26 March 2001

Statement of 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



1 Waterloo Way
Leicester
LE1 6LP

Auditors' report to the members of Advance Property Investments Limited

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

*Chartered Accountants
Registered Auditors*

9 April 2001

Profit and loss account
for the year ended 31 August 2000

	<i>Note</i>	2000 £	1999 £
Turnover		23,541	25,670
Interest receivable	2	5,529	266
		29,070	25,936
Management expenses	3	12,622	9,458
Interest payable	4	-	38
Profit on ordinary activities before taxation		16,448	16,440
Tax on profit on ordinary activities	5	(3,781)	(3,980)
Profit on ordinary activities after taxation		12,667	12,460
Retained profit brought forward		101,616	89,156
Retained profit carried forward		114,283	101,616

All activities relate to continuing operations.

A statement of total recognised gains and losses is given on page 6.

Balance sheet
at 31 August 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	6		171,197		170,214
Current assets					
Debtors	7	88,692		8,405	
Cash at bank and in hand		14,816		99,941	
			103,508		108,346
Creditors: amounts falling due within one year	8	(3,600)		(20,122)	
Net current assets			99,908		88,224
Total assets less current liabilities			271,105		258,438
Provisions for liabilities and charges	9		(2,977)		(3,410)
Net assets			268,128		255,028
Capital and reserves					
Called up share capital	10		100		100
Revaluation reserve	11		153,745		153,312
Profit and loss account			114,283		101,616
Shareholders funds			268,128		255,028

These financial statements were approved by the board of directors on 26 March 2001 and were signed on its behalf by:

HJ Craven
Director



Statement of total recognised gains and losses
for the year ended 31 August 2000

	2000 £	1999 £
Profit for the financial year	12,667	12,460
Unrealised gain on revaluation of property	-	47,500
Decrease/(increase) in unrealised deferred tax provision on revalued properties	433	(3,410)
Total recognised gains and losses relating to the year	<u>13,100</u>	<u>56,550</u>

Reconciliation of movement in shareholders funds
for the year ended 31 August 2000

	2000 £	1999 £
Profit for the financial year	12,667	12,460
Opening equity shareholders funds	255,028	198,478
Other recognised gains and losses relating to the year	433	44,090
Closing equity shareholders funds	<u>268,128</u>	<u>255,028</u>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing difference between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Depreciation

Depreciation is provided by the company to write off the cost of tangible fixed assets by equal instalments over their useful economic lives as follows:-

Fixtures and fittings - 10% per annum

Under the terms of SSAP 19 the company is excluded from providing depreciation in respect of freehold investment properties.

Operating leases

Rents receivable on freehold investment properties, under the terms of operating leases, are included in the profit and loss account on a receivable basis.

2 Interest receivable

	2000 £	1999 £
Loan to Willowbrook Properties Limited	4,246	-
Short term deposits	1,260	233
Other interest	23	33
	5,529	266

Notes *(continued)*

3 Management expenses

	2000	1999
	£	£
<i>Management expenses include the following:</i>		
Auditors' remuneration		
- Audit	1,028	999
- Other services	680	1,478
	<u> </u>	<u> </u>

The only employees during the two years were the director and company secretary who received no remuneration in either year.

4 Interest payable

	2000	1999
	£	£
Other interest	-	38
	<u> </u>	<u> </u>
	-	38
	<u> </u>	<u> </u>

5 Tax on profit on ordinary activities

	2000	1999
	£	£
UK corporation tax at 20% (1999 : 20.6%) on the profit for the year	3,781	3,407
Adjustment to prior year	-	573
	<u> </u>	<u> </u>
	3,781	3,980
	<u> </u>	<u> </u>

Notes (continued)

6 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At beginning of year	167,500	5,430	172,930
Additions	-	1,695	1,695
At end of year	167,500	7,125	174,625
Accumulated depreciation			
At beginning of year	-	2,716	2,716
Charge for the year	-	712	712
At end of year	-	3,428	3,428
Net book value			
At 31 August 2000	167,500	3,697	171,197
At 31 August 1999	167,500	2,714	170,214

Tangible fixed assets comprise freehold investment properties stated at open market valuation, in accordance with Statement of Standard Accounting Practice No 19. The properties are let under operating leases.

In August 1999 the property was valued by Willowbrook Properties Limited (RICS) on the basis of open market value. The directors are of the opinion that the open market value at 31 August 2000 is not materially different.

The cost of revalued freehold property is:	£
At beginning and end of year	10,778

7 Debtors

	2000 £	1999 £
Trade debtors	4,423	4,325
Other debtors	84,269	4,080
	88,692	8,405

In 2000 other debtors include a loan and related interest of £84,246 due to related party Willowbrook Properties Limited. Details are given in note 13.

Notes *(continued)*

8 Creditors

	2000 £	1999 £
Other creditors	2,319	3,215
Corporation tax	1,281	907
Directors loans	-	16,000
	<u>3,600</u>	<u>20,122</u>

9 Provisions for liabilities and charges

	2000 £	1999 £
Deferred taxation	2,977	3,410
	<u>2,977</u>	<u>3,410</u>

The deferred tax liability represents tax on the potential capital gain that would arise if the property was sold at its revalued amount.

10 Called up share capital

	2000 £	1999 £
<i>Authorised</i>		
Ordinary shares of £1 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Notes *(continued)*

11 Revaluation reserve

	2000 £	1999 £
At beginning of year	153,312	109,222
Surplus arising on revaluation of freehold property	-	47,500
Decrease/(increase) in provisions for liabilities and charges	433	(3,410)
At end of year	153,745	153,312

12 Cash flow statement

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is entitled to the exemptions available in sections 246 to 249 of the Companies Act 1985 for small companies.

13 Related party transactions

In December 1999 a loan of £80,000 was granted to Willowbrook Properties Limited in which Mrs HJ Craven is a 50% shareholder and a director. Interest has been charged at 7.5% per annum and amounts to £4,246. The loan and related interest of £84,246 represents the maximum outstanding during the year, and is included within debtors. This loan has no fixed repayment date.

At 31 August 1999 the company had a loan of £16,000 payable to director and shareholder Mrs HJ Craven. This was repaid in May 2000, and £16,000 represents the maximum outstanding during the year. This loan was interest free.