R.O.C.

# SUITCROWN LIMITED

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED
## 30 JUNE 1998

**Company Registration Number 01567721**

*Seymour Taylor*
Chartered Accountants & Registered Auditors
57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

A14 *AV0CCCEJ* 503
COMPANIES HOUSE 24/12/98

# SUITCROWN LIMITED

## FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 1998

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# SUITCROWN LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

## YEAR ENDED 30 JUNE 1998

| | |
|---|---|
| **The Board of Directors** | Mr J.D. Codling<br>Mrs J.M. Codling |
| **Company Secretary** | Mr J.D. Codling |
| **Registered Office** | 12B High Street<br>Wendover<br>Buckinghamshire<br>HP22 6EA |
| **Auditors** | Seymour Taylor<br>Chartered Accountants<br>& Registered Auditors<br>57 London Road<br>High Wycombe<br>Buckinghamshire<br>HP11 1BS |
| **Bankers** | Lloyds Bank Plc<br>79 High Street<br>Chesham<br>Buckinghamshire<br>HP5 1DE |
| **Solicitors** | John Codling<br>12B High Street<br>Wendover<br>Buckinghamshire<br>HP22 6EA |

# SUITCROWN LIMITED

## THE DIRECTORS' REPORT

## YEAR ENDED 30 JUNE 1998

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 1998.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was investment in properties.

### YEAR 2000 COMPLIANCE

The directors have considered the potential impact of year 2000 compliance issues on the company's business and operations and are of the opinion that these will not be materially affected.

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

| | Class of share | At 30 Jun 98 | At 1 Jul 97 |
|---|---|---|---|
| Mr J.D. Codling | Ordinary 'A' | 15,791 | 9,182 |
| " | Ordinary 'B' | 74,575 | 62,423 |
| " | Preference | 100,000 | - |
| Mrs J.M. Codling | Ordinary 'A' | - | 6,609 |
| " | Ordinary 'B' | 170,776 | 172,928 |
| " | Preference | - | 100,000 |

Mrs J.M. Codling became the beneficial owner of the shares on 29 August 1997.

### 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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 9, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# SUITCROWN LIMITED

## THE DIRECTORS' REPORT *(continued)*

## YEAR ENDED 30 JUNE 1998

### DIRECTORS' RESPONSIBILITIES (continued)

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. The directors 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.

### AUDITORS

A resolution to re-appoint Seymour Taylor as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

### SMALL COMPANY PROVISIONS

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

Approved by the board of directors on 11th Oct 1998 and signed on its behalf

Mr J.D. Codling
Director

# SUITCROWN LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

## YEAR ENDED 30 JUNE 1998

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### 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 company's state of affairs as at 30 June 1998 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Seymour Taylor*
Chartered Accountants
& Registered Auditors

57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

11 Dec 1998

# SUITCROWN LIMITED

## PROFIT AND LOSS ACCOUNT

## YEAR ENDED 30 JUNE 1998

| | Note | 1998 £ | 1997 £ |
|---|---|---|---|
| **TURNOVER** | | 138,997 | 133,012 |
| Administrative expenses | | (20,584) | (12,527) |
| **OPERATING PROFIT** | **2** | 118,413 | 120,485 |
| Interest receivable | | 146 | - |
| Interest payable | | (51,689) | (51,971) |
| **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | 66,870 | 68,514 |
| Tax on profit on ordinary activities | **3** | (14,043) | (15,931) |
| **PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION** | | 52,827 | 52,583 |
| Equity dividends paid | | (4,000) | (4,000) |
| **RETAINED PROFIT FOR THE FINANCIAL YEAR** | | 48,827 | 48,583 |

All of the activities of the company are classed as continuing.

**The notes on pages 9 to 14 form part of these financial statements.**

# SUITCROWN LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

## YEAR ENDED 30 JUNE 1998

| | 1998<br>£ | 1997<br>£ |
|---|---|---|
| Profit for the financial year attributable to the shareholders | 52,827 | 52,583 |
| Unrealised profit on revaluation of properties | 113,112 | - |
| Total gains and losses recognised since the last annual report | 165,939 | 52,583 |

**The notes on pages 9 to 14 form part of these financial statements.**

# SUITCROWN LIMITED

## BALANCE SHEET

## AS AT 30 JUNE 1998

| | Note | 1998 | | 1997 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **FIXED ASSETS** | | | | | |
| Tangible assets | 4 | | 1,291,000 | | 1,177,888 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 5 | 25,787 | | 21,305 | |
| Cash at bank and in hand | | 9,459 | | 7,204 | |
| | | 35,246 | | 28,509 | |
| **CREDITORS: Amounts falling due within one year** | 6 | (115,256) | | (115,722) | |
| **NET CURRENT LIABILITIES** | | | (80,010) | | (87,213) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,210,990 | | 1,090,675 |
| **CREDITORS: Amounts falling due after more than one year** | 7 | | (491,863) | | (543,487) |
| | | | 719,127 | | 547,188 |

The balance sheet continues on the following page.

**The notes on pages 9 to 14 form part of these financial statements.**

# SUITCROWN LIMITED

## BALANCE SHEET *(continued)*

## AS AT 30 JUNE 1998

| | Note | 1998 £ | 1997 £ |
|---|---|---|---|
| **CAPITAL AND RESERVES** | | | |
| Called-up equity share capital | **9** | 384,755 | 374,755 |
| Share premium account | | 12,000 | 12,000 |
| Revaluation reserve | **10** | 113,112 | - |
| Profit and loss account | **11** | 209,260 | 160,433 |
| **SHAREHOLDERS' FUNDS** | **12** | 719,127 | 547,188 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the board of directors on 11th December 1998 and signed on its behalf

.....
MR J.D. CODLING

**The notes on pages 9 to 14 form part of these financial statements.**

# SUITCROWN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 1998

### 1. ACCOUNTING POLICIES

**Basis of accounting**
The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

**Turnover**
Turnover represents total value of rents receivable, excluding VAT.

**Investment properties**
In accordance with SSAP 19, no depreciation or amortisation is provided in respect of freehold investment properties with over 20 years to run. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Deferred taxation**
Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

### 2. OPERATING PROFIT

Operating profit is stated after charging:

| | 1998<br>£ | 1997<br>£ |
|---|---|---|
| Directors' emoluments | - | - |
| Auditors' fees | 2,500 | 2,500 |

### 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 1998<br>£ | 1997<br>£ |
|---|---|---|
| Corporation tax based on the results for the year at 21% (1997 - 23.25%) | 14,043 | 15,931 |

# SUITCROWN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 1998

### 4. TANGIBLE FIXED ASSETS

| | Investment Properties £ |
|---|---|
| **COST OR VALUATION** | |
| At 1 July 1997 | 1,177,888 |
| Revaluation | 113,112 |
| **At 30 June 1998** | 1,291,000 |
| **DEPRECIATION** | - |
| **NET BOOK VALUE** | |
| **At 30 June 1998** | 1,291,000 |
| At 30 June 1997 | 1,177,888 |

It is the practice of the directors to obtain a professional valuation for the investment properties every third year and to consider the value of the properties themselves in the other years. The company's properties had a professional valuation by John Graham & Co, Chartered Surveyors, in June 1998. The basis of the valuation was open market value of the freehold interest subject to the existing leases. This valuation has led to a total value of £1,291,000 being placed on the properties.

### 5. DEBTORS

| | 1998 £ | 1997 £ |
|---|---|---|
| Trade debtors | 19,352 | 15,044 |
| Other debtors | 544 | - |
| ACT recoverable against future taxation | 1,500 | 1,500 |
| Prepayments and accrued income | 4,391 | 4,761 |
| | 25,787 | 21,305 |

The debtors above include the following amounts falling due after more than one year:

| | 1998 £ | 1997 £ |
|---|---|---|
| Advance Corporation Tax recoverable | 500 | 500 |

# SUITCROWN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 1998

### 6. CREDITORS: Amounts falling due within one year

| | 1998<br>£ | 1997<br>£ |
|---|---|---|
| Bank loans | 45,900 | 46,897 |
| Trade creditors | 2,309 | 649 |
| Advance Corporation Tax | 500 | 500 |
| Corporation tax | 14,043 | 15,931 |
| VAT | 6,721 | 6,181 |
| Dividends payable | 2,000 | 2,000 |
| Income tax on loan | 270 | 270 |
| Accruals and deferred income | 43,513 | 43,294 |
| | 115,256 | 115,722 |

The following liabilities disclosed under creditors falling due within one year are secured by the company:

| | 1998<br>£ | 1997<br>£ |
|---|---|---|
| Bank loans | 45,900 | 46,897 |

### 7. CREDITORS: Amounts falling due after more than one year

| | 1998<br>£ | 1997<br>£ |
|---|---|---|
| Bank loans | 441,863 | 483,487 |
| Loan | 50,000 | - |
| Directors' loan accounts | - | 60,000 |
| | 50,000 | 60,000 |
| | 491,863 | 543,487 |

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

| | 1998<br>£ | 1997<br>£ |
|---|---|---|
| Bank loans | 441,863 | 483,487 |

# SUITCROWN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 1998

### 7. CREDITORS: Amounts falling due after more than one year *(continued)*

Included within creditors falling due after more than one year is an amount of £258,263 (1997 - £295,898) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

The company has two bank loans.

The mortgage, the aggregate total of which amounts to £328,763 is repayable in quarterly instalments of £12,700. It bears interest at 2% above the bank base rate per annum.

The company took out a fixed rate loan in February 1994, the aggregate total of which amounts to £159,000 and is repayable in bi-annual instalments of £13,250. It bears interest at 9%.

### 8. RELATED PARTY TRANSACTIONS

The company was under the control of Mr J.D. Codling from 29 June 1998. Throughout the previous year and up to 29 June 1998, the company was under the control of the late Mr F.S.G. Codling, his executors and Mrs J.M. Codling at successive times. Mr J.D. Codling is the new managing director and majority shareholder.

During the current year the company purchased services from Capability Codling Landscape & Design Limited for £475 and from Trojastyle Limited for £2,975. Capability Codling Landscape & Design Limited and Trojastyle Limited are controlled by Mr & Mrs J.D. Codling. The company also purchased services in the year from J.D. Codling, Solicitor for £3,472. Mr J.D. Codling is a director of the company. There are no balances outstanding at the year end. In all other respects these transactions are considered to be at arms length.

During the year Mr J.D. Codling was paid interest amounting to £789 in respect of an unsecured loan. At 30 June 1998 the balance was £0 (1997 : £10,000). Mrs J.M. Codling was paid interest amounting to £3,005 in respect of an unsecured loan of £50,000, which was repaid by the company on 4 March 1998. On the same date the company took out a loan from the Trustees of F.S.G. Codling Grandchildren's Settlement. On this loan interest amounting to £1,446 was paid. The rate of interest was 9% gross for the year.

# SUITCROWN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 1998

### 9. SHARE CAPITAL

**Authorised share capital:**

| | 1998 £ | 1997 £ |
|---|---|---|
| 21,500 Ordinary 'A' shares of £1 each | 21,500 | 21,500 |
| 878,500 Ordinary 'B' shares of £1 each | 878,500 | 878,500 |
| 100,000 Preference shares of £1 each | 100,000 | 100,000 |
| | 1,000,000 | 1,000,000 |

**Allotted, called up and fully paid:**

| | 1998 | | 1997 | |
|---|---|---|---|---|
| | No. | £ | No. | £ |
| Ordinary 'A' shares | 21,500 | 21,500 | 21,500 | 21,500 |
| Ordinary 'B' shares | 263,255 | 263,255 | 253,255 | 253,255 |
| Preference shares | 100,000 | 100,000 | 100,000 | 100,000 |
| | 384,755 | 384,755 | 374,755 | 374,755 |

### 10. REVALUATION RESERVE

| | 1998 £ | 1997 £ |
|---|---|---|
| Revaluation of fixed assets | 113,112 | - |

### 11. PROFIT AND LOSS ACCOUNT

| | 1998 £ | 1997 £ |
|---|---|---|
| Balance brought forward | 160,433 | 111,850 |
| Retained profit for the financial year | 48,827 | 48,583 |
| Balance carried forward | 209,260 | 160,433 |

# SUITCROWN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 1998

### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 1998<br>£ | 1997<br>£ |
|---|---|---|
| Profit for the financial year | 52,827 | 52,583 |
| Dividends | (4,000) | (4,000) |
| | 48,827 | 48,583 |
| Other net recognised gains and losses | 113,112 | - |
| New equity share capital subscribed | 10,000 | 2,000 |
| Net addition to funds | 171,939 | 50,583 |
| Opening shareholders' equity funds | 547,188 | 496,605 |
| Closing shareholders' equity funds | 719,127 | 547,188 |

The preference shares are entitled to a fixed cumulative preferential cash dividend of 5 pence per annum on each share payable in two equal instalments on 1st January and 1st July each year. The 'A' and 'B' shares are entitled to dividends as follows:-

1) an amount of profits up to and equivalent to but not exceeding the preference dividend multiplied by the nominal value of each issued 'A' and 'B' share shall be distributed amongst the holders of the 'A' shares and the 'B' shares but on the basis that each 'A' share has a nominal value equivalent to 1.4 'B' shares.
2) the balance of any profits (if any) shall be distributed amongst all shareholders on the basis that each 'A' share represents 1.4 'B' shares and 1.4 preference shares.

If the preference dividend is not paid it will accumulate from the due date and shall be a debt due by the company and be payable in priority to any other dividend.

On the winding up of the company the assets, after the payments of the liabilities, will be applied as follows:-

1) any arrears or accruals of the preference dividends to the holders of the preference shares.
2) the balance of the assets will be distributed in proportion to the amounts paid up or credited as paid up as such shares on the basis that each 'A' share represents 1.4 'B' shares and 1.4 preference shares.

Every member holding 'A' shares has seven votes for each share and every member holding 'B' shares and preference shares shall have five votes for each share.

Save as above all 'A' shares, 'B' shares and cumulative preference shares shall rank pari passu in all respects.