

YELLOW DOOR PROPERTY COMPANY LIMITED

DETAILED PROFIT AND LOSS for the period ended 31st March 1997

	1997	1996
Turnover	45,612	158,412
Less Property Costs	7,998	122,862
	<u>37,614</u>	<u>35,550</u>
Gross Profit		35,550
Less: Management Expenses		
Directors Remuneration	0	0
Telephone	1,456	2,247
Motor Expenses	4,007	2,685
Consumable Equipment and Tools	0	0
Stationery	185	155
Travel Costs	124	0
Entertainment	1,362	1,580
Insurances	63	575
Legal & Professional	1,244	0
Accounting Costs	1,794	2,850
Bank Charges	316	1,011
Sundries	20	30
Reference Materials and Photographs		0
Depreciation	3,740	2,718
	<u>14,311</u>	<u>13,851</u>
Total Expenses		13,851
	<u>18,841</u>	<u>21,699</u>
Interest Receivable	803	421
Interest Payable	17,734	11,751
	<u>6,372</u>	<u>10,369</u>
Profit Before Taxation	=====	=====

YELLOW DOOR PROPERTY COMPANY LIMITED
NOTES TO THE ACCOUNTS AS AT 31st MARCH 1997

8) SHARE CAPITAL

	1997	1996
	£	£
Authorised Ordinary Shares £1 each	1,000	1,000
	=====	=====
Issued Ordinary Shares £1 each	1,000	1,000
	=====	=====

9) RESERVES

	1997	1996
	£	£
Distributable Reserves	96,363	91,520
Non-distributable Property Revaluation Reserves	42,474	31,074
	-----	-----
Total	138,837	122,594
	=====	=====

10) RECONCILIATION OF SHAREHOLDERS FUNDS

Shareholders Funds	1997	1996
		£
As at 1st Apr 1996	123,594	115,805
Profit after Tax for the Year	4,843	7,789
Revaluation of Property	11,400	0
	-----	-----
As at 31st Mar 1997	139,837	123,594
	=====	=====

YELLOW DOOR PROPERTY COMPANY LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 1997

6) DEBTORS Amounts falling due within 12 months

	1997	1996
	£	£
Trade Debtors	4,176	6,104
Other Debtors	13,730	13,715
	<u>17,906</u>	<u>19,819</u>
	=====	=====

7) CREDITORS

Amounts falling due within one year

	1997	1996
	£	£
Mortgages	255,662	69,096
Corporation Tax	932	2,694
Tax and Social Security	3,504	0
Accrued Expenses	5,692	2,193
Other Creditors	0	1,928
	<u>265,790</u>	<u>75,911</u>
	=====	=====

Amounts Due after One Year

Deferred Taxation	13,958	10,358
Loans from Directors	55,066	63,070
Bank Loans	100,000	100,000
Other Loans	65,000	15,000
	<u>234,024</u>	<u>188,428</u>
	=====	=====

The Mortgages are secured by first charges on freehold properties owned by the Company

Analysis of Bank Loans

	1997	1996
Repayable within 12 months		
Overdraft	0	0
Repayable between 2 years and 5 years		
Bank Loans	100,000	100,000
Other Loans	65,000	15,000
	<u>165,000</u>	<u>115,000</u>
	=====	=====

YELLOW DOOR PROPERTY COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31st MARCH 1997

3) OPERATING PROFIT

This is stated after Charging:-

	1997	1996
	£	£
Directors Remuneration	0	0
Auditors Fees	200	150
	=====	=====

4 TAXATION

Corporation Tax has been provided for at the rate of 24%

5 FIXED ASSETS

COST	Freehold	Property		Fixtures Fittings	Total
	Cost	Valuation	Total		
Cost as at 1st Apr 1996	269,913	41,432	311,345	14,639	325,984
Additions at Cost	0	0	0	319	319
Revaluation during year	0	15,000	15,000	0	15,000
	-----	-----	-----	-----	-----
Total at 31st Mar 96	269,913	56,432	326,345	14,958	341,303

DEPRECIATION

As at 1st Apr 1995	0	5,020	5,020
Charge for Year	0	3,740	3,740
	-----	-----	-----
Total at 31st Mar 96	0	8,760	8,760

NET BOOK VALUE

As at 31st Mar 1997	326,345	6,198	332,543
	=====	=====	=====
As at 31st Mar 1996	295,347	9,619	320,964
	=====	=====	=====

The valuation of the freehold properties has been done by independent surveyors on an open market basis and is split as follows:-

	£
Valuation dated 30th Nov 96	150,000
Valuation dated 31st Mar 95	135,000
Original Cost	41,345

	326,345
	=====

6. Stocks and Work in Progress

	1997	1996
55 Overhill at Sales Value	162,492	0
59 Overhill at Cost	116,487	
Kitchen Units	2,500	6,500
	-----	-----
	281,479	6,502

YELLOW DOOR PROPERTY COMPANY LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 1997

1) ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises Rental from Property Income, Management fees from consultancy on property Development and from the Sales of Developments owned by the company. All receipts are on a cash received basis.

Work in Progress

Work in progress is valued at the lower of cost or net realisable value if in the Directors opinion the realisable value of the property is below the total project cost.

Tangible Fixed Assets

Tangible fixed assets are stated at cost or valuation less depreciation.

No depreciation has been charged on freehold properties. This is contrary to the accepted Standard Statement of Accounting Practice and is adopted because these properties are held for investment purposes and are maintained to a sufficiently high standard to not allow any diminution in value.

Depreciation is provided at rates calculated to write off the cost of other fixed assets, less their estimated residual value, over their expected useful lives on a 25% straight line basis

2) TURNOVER

Turnover is analysed across the various activities as follows:-

	1997	1996
	£	£
Sales of Property	0	118,000
Rental Income	45,612	40,412
	45,612	158,412

YELLOW DOOR PROPERTY COMPANY LIMITED

BALANCE SHEET AS AT 31st MARCH 1997

	notes	£	£ <u>1997</u>	£	£ <u>1996</u>
TANGIBLE ASSETS					
Fixed Assets	5		332,543		320,964
CURRENT ASSETS					
Stocks	6	281,479		6,500	
Debtors	7	17,906		19,819	
Cash at Bank		7,723		40,650	
		-----	307,108	-----	66,969
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	8		265,790		75,911
			-----		-----
NET ASSETS less CURRENT LIABILITIES			373,861		312,022
Creditors : Amounts due after one year	8		234,024		188,428
			-----		-----
NET ASSETS			139,837		123,594
			=====		=====
CAPITAL AND RESERVES					
Share Capital	9	1,000		1,000	
Reserves	10	138,837		122,594	
		-----		-----	
Shareholders Funds			139,837		123,594
			=====		=====

Advantage has been taken in the preparation of the accounts of the special exemptions conferred by part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

The financial statements on pages 5 to 10 were approved by the Board of Directors and were signed on its behalf on June 97. The Directors consider that the company is entitled to the exemption from the requirement to have an audit under the provisions of Section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit. The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

.....W. E. C. Hughes Director

The accompanying notes on pages 7 to 10 are an integral part of these financial statements

YELLOW DOOR PROPERTY COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1997**

	Note	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	45,612	158,412
Cost of Sales		7,998	122,862
GROSS PROFIT		37,614	35,550
Administration Expenses		14,311	13,851
OPERATING PROFIT		23,303	21,699
Add Interest Receivable		803	421
		24,106	22,120
Interest Payable		17,734	11,751
PROFIT BEFORE TAXATION	3	6,372	10,369
TAXATION	4	1,529	2,580
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,843	7,789
RESERVES at 31st Mar 1996		91,520	83,731
RESERVES at 31st Mar 1997		96,363	91,520

Continuing Operation

In the opinion of the Directors all operations are continuing

Recognised Gains and Losses

The company has no recognised gains or losses other than as shown above

The accompanying notes on pages 7 to 10 are an integral part of these financial statements

YELLOW DOOR PROPERTY COMPANY LIMITED

Accountant's Report to the Shareholders on the Unaudited Financial Statements of Yellow Door Property Company Limited

We report on the financial statements for the year ended 31st March 1997 set out on pages 5 to 10

Respective responsibilities of directors and reporting accountants

As described on page 3 the companies directors are responsible for the preparation of financial statements and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in the opinion.

Opinion

In our opinion:

(a) the financial statements are in agreement with the accounting records kept by the company under S 221 of the Companies Act 1985;

(b) having regard only to, and on the basis of, the information contained in those accounting records:

(i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act and

(ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year as specified in Section 249A(4) of the Act and did not at any time within that year fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1)

Colletta Smith Samuels

.....
January 1998

YELLOW DOOR PROPERTY COMPANY LIMITED

4) 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 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 to 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.

Advantage has been taken in the preparation of the directors' report of the special exemptions conferred by part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the Board

W. E. C. Hughes - Secretary

June 1997

YELLOW DOOR PROPERTY COMPANY LIMITED

DIRECTORS REPORT

The Directors have pleasure in presenting their Annual Report and Accounts of the Company for the year ended 31st March 1997.

1. Results and Dividends

The trading profit for the period after taxation amounted to £4,843 (1996 £7,789). The Directors do not recommend the payment of a Dividend.

2. Principal Activity and Review

The Principal Activity of the Company during the period was the development of property for rental income or resale. The Directors are of the opinion that the future prospects of the Company are satisfactory.

3. Directors and their Interests

The Directors who served during the period and their interests in the Share Capital of the Company were as follows:-

	31st March 1997	31st Mar 1996
P. M. Ashley	850	850
W. E. C. Hughes	0	0
B. W. Lamont	0	0

YELLOW DOOR PROPERTY COMPANY LIMITED

Company Information

Directors	Mr. Paul Ashley Mr. Bill Hughes Mr. Barclay Lamont
Secretary	Mr. Bill Hughes
Registered Office	31 Cumberland Close Aylesbury Buckinghamshire HP21 7HH
Reporting Accountants	Colletta Smith Samuels 31a Billington Road Northampton
Bankers	National Westminster Bank plc 5 St Pauls Churchyard London EC4M 8DP
Company Number	2779638

YELLOW DOOR PROPERTY COMPANY LIMITED

REPORT AND FINANCIAL ACCOUNTS

FOR THE YEAR ENDED

31st MARCH 1997

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