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BAXTER GATE PROPERTIES LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

N J FREEMAN
CHARTERED CERTIFIED ACCOUNTANT



BAXTER GATE PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

DIRECTORS

Mr P A Collin
Mr C A Collin
Mr D G Putt
Mr J A Divine
Miss L A Revill
Miss C E Brannon
Mr R D Fletcher

SECRETARY

Mr P A Collin

REGISTERED OFFICE

41 Baxter Gate
Loughborough
Leicestershire
LE11 1TQ

COMPANY NUMBER

0002258

ACCOUNTANT

N J Freeman
Chartered Certified Accountant
1 Beacon Drive
Loughborough
Leicestershire
LE11 2BD

BANKERS

Barclays Bank PLC
3 Market Street
Loughborough
Leicestershire
LE11 3EA

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The following do not form part of the statutory financial statements:

12	Trading, Profit and Loss Account
13	Accountant's Certificate

BAXTER GATE PROPERTIES LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of the company for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of property letting.

RESULTS AND DIVIDENDS

The results of the company for the year are shown in the profit and loss account on page 3. The directors do not recommend the payment of a dividend and that the retained profit for the year be transferred to reserves.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

During the year, the company repossessed the lease of its principal tenant, Loughborough Liberal Club, following an accumulation of outstanding rents. The club has subsequently ceased its activities and the premises have been vacated. The debt written off in the year resulted in an a small operating deficit. However, an overall profit was achieved in the year due the receipt of investment income and the release of the provision for repayment of untraceable shareholders which is no longer required.

The company has passed plans and commenced building work on the restoration of the property at 41 Baxter Gate at 31 December 1996. The building work has subsequently been completed and the premises were let from 1 July 1997.

DIRECTORS

The directors who served the company during the year together with their beneficial interests (including family interests) in the shares of the company at the beginning and end of the year were as follows:-

Ordinary shares of 50p each

	<u>31 December 1996</u>	<u>1 January 1996</u>
Mr P A Collin	632	632
Mr H D Putt (resigned 23 October 1996)	-	10
Mr C A Collin	109	109
Mr D G Putt	175	175
Mr J A Divine	5	5
Mrs L A Revill	5	5
Miss C E Brannon	5	5
Mr R D Fletcher (appointed 23 October 1996)	36	-

BAXTER GATE PROPERTIES LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

In accordance with the Articles of Association, Mr P A Collin and Mr J A Divine retire by rotation and offer themselves for re-election.

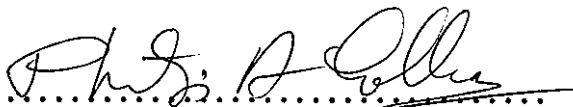
FIXED ASSETS

Movements in the fixed assets are shown in the notes to the accounts.

LAND AND BUILDINGS

A valuation of the company's investment properties was carried out at open market value with existing use on 31 December 1991 and this value has been incorporated into the accounts. In the opinion of the directors, there is no material difference between the current open market value and the value at which the company's investment properties are stated in the accounts as at 31 December 1996.

Approved by the Board of Directors and signed on its behalf by:-


.....

Mr P A Collin
Secretary

Date. 
.....

BAXTER GATE PROPERTIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996**

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
TURNOVER			
Continuing operations		13,125	13,130
Administrative expenses		(14,892)	(5,220)
OPERATING (LOSS)/PROFIT			
Continuing operations		(1,767)	7,910
Investment income	3	2,551	2,489
Exceptional income	4	26,840	-
		<u>29,391</u>	<u>2,489</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	4	<u>27,624</u>	<u>10,399</u>
Tax on profit on ordinary activities	5	619	2,639
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		<u>27,005</u>	<u>7,760</u>
RETAINED PROFIT FOR THE YEAR	14	<u>£ 27,005</u>	<u>£ 7,760</u>

There are no recognised gains and losses other than the profit for the year.

The notes on pages 6 to 11 form part of these accounts.

BAXTER GATE PROPERTIES LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1996**

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
FIXED ASSETS			
Tangible fixed assets	6	195,773	195,016
CURRENT ASSETS			
Debtors	7	10,288	8,496
Investments	8	44,194	42,510
Cash at bank and in hand		6,185	12,285
		<u>60,667</u>	<u>63,291</u>
CREDITORS, amounts falling due within one year	9	<u>(5,221)</u>	<u>(34,093)</u>
NET CURRENT ASSETS		55,446	29,198
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 251,219	£ 224,214
CAPITAL AND RESERVES			
Called up share capital	11	727	727
Revaluation reserve	12	189,950	189,950
Capital Redemption Reserve	13	671	671
Profit and loss account	14	59,871	32,866
EQUITY SHAREHOLDERS' FUNDS	15	£ 251,219	£ 224,214

BAXTER GATE PROPERTIES LIMITED

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 1996

For the year ending 31 December 1996 the company was entitled to exemption from an audit of the accounts under section 249A(1) of the Companies Act 1985.

No notice has been deposited under section 249B(2) of the Act in relation to the accounts for the financial year.

We acknowledge our responsibilities as directors for:

- (1) ensuring that the company keeps accounting records which comply with section 221 of the Act ; and
- (2) preparing accounts which give a true and fair view of the company as at the end of the financial year and of its profit for the financial year in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as are applicable to the company.

The Accounts were approved by the Board of Directors and signed on its behalf by:-


.....

Mr D G Putt
Director

Date..... 27th October 1997

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

The company has adopted the following accounting policies within these accounts which have been prepared under the historical cost convention modified to include the revaluation of investment properties:-

1.a *Tangible fixed assets and depreciation.*

Fixed assets other than investment properties are stated at cost less depreciation.

Depreciation is provided to write off the cost less estimated residual value of each asset at the following rates:-

		<u>1996</u>	<u>1995</u>
Plant and equipment	Straight line basis	10%	10%
Fixtures and fittings	Straight line basis	10%	10%

Investment properties are held for their investment potential and are therefore not subject to depreciation charges in accordance with SSAP 19 in order to show a true and fair view. They are included in the balance sheet at their current open market value.

1.b *Turnover.*

Turnover represents the rents derived from the investment properties and are calculated on an accruals basis.

1.c *Deferred taxation.*

Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. Provision for taxation, using the liability method, is made to the extent that it is probable that a liability will crystallise in the foreseeable future.

1.d *Cash flow statement.*

The company has taken advantage of the exemption conferred by paragraph 8 of Financial Reporting Standard No.1 (FRS 1), from presenting a cash flow statement as it qualifies as a small company.

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1996

2. DIRECTORS AND EMPLOYEES

	<u>1996</u>	<u>1995</u>
Staff costs:-		
Wages and salaries	£ 1,750	£ 1,800

The average weekly number of persons, including directors, employed during the year was:-

	<u>1996</u>	<u>1995</u>
Administrative	7	7

Directors' emoluments

	<u>1996</u>	<u>1995</u>
Fees	£ 1,750	£ 1,800

3. INVESTMENT INCOME

	<u>1996</u>	<u>1995</u>
Building society and bank interest receivable	£ 2,551	£ 2,489

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	<u>1996</u>	<u>1995</u>
Profit on ordinary activities before tax is stated after charging/(crediting):		
Depreciation	84	-
Exceptional income	(26,840)	-

EXCEPTIONAL INCOME

Exceptional income arises from the release of the provision for repayment of untraceable shareholders which was established in November 1991 and is no longer required. There is no effect on the corporation tax charge for the year.

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1996

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The (credit)/charge for tax is made up as follows:

	<u>1996</u>	<u>1995</u>
Current year:		
U.K. Corporation tax at 25%/24% (1995:25%)	£ 619	£ 2,639
	<u>£ 619</u>	<u>£ 2,639</u>

6. TANGIBLE FIXED ASSETS

	<u>Investment Properties</u>	<u>Office Equipment</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
	£	£	£	£
COST/VALUATION:				
At 1 January 1996	195,000	109	2,973	198,082
Additions	-	-	841	841
At 31 December 1996	<u>195,000</u>	<u>109</u>	<u>3,814</u>	<u>198,923</u>
DEPRECIATION:				
At 1 January 1996	-	108	2,958	3,066
Charge for the year	-	-	84	84
At 31 December 1996	<u>-</u>	<u>108</u>	<u>3,042</u>	<u>3,150</u>
NET BOOK VALUE:				
31 December 1996	<u>£ 195,000</u>	<u>£ 1</u>	<u>£ 772</u>	<u>£ 195,773</u>
31 December 1995	<u>£ 195,000</u>	<u>£ 1</u>	<u>£ 15</u>	<u>£ 195,016</u>

Investment properties:-

	<u>1996</u>	<u>1995</u>
Freehold land and buildings	<u>£ 195,000</u>	<u>£ 195,000</u>

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1996

6. TANGIBLE FIXED ASSETS (CONTINUED)

Freehold land and buildings at valuation:

Valuation (1991)	£ 195,000	£ 195,000
	<u> </u>	<u> </u>

Freehold land and buildings at historical cost:

Cost	£ 8,960	£ 8,960
	<u> </u>	<u> </u>

7. DEBTORS

	<u>1996</u>	<u>1995</u>
Rents receivable	1,340	7,314
Prepayments and accrued income	588	595
Other debtors	8,360	587
	<u> </u>	<u> </u>
	£ 10,288	£ 8,496
	<u> </u>	<u> </u>

8. CURRENT ASSET INVESTMENTS

	<u>1996</u>	<u>1995</u>
Shepshed Building Society (Property)	-	3,920
Loughborough Building Society	12,266	11,840
Shepshed Building Society (Capital Bond)	31,928	26,750
	<u> </u>	<u> </u>
	£ 44,194	£ 42,510
	<u> </u>	<u> </u>

9. CREDITORS: amounts falling due
within one year

	<u>1996</u>	<u>1995</u>
U.K. Corporation tax	162	1,998
Other taxes and social security	432	350
Other creditors	4,627	4,905
Amounts owing to untraceable shareholders	-	26,840
	<u> </u>	<u> </u>
	£ 5,221	£ 34,093
	<u> </u>	<u> </u>

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1996

10. DEFERRED TAXATION

	<u>1996</u>		<u>1995</u>	
	<u>Amount Provided</u>	<u>Maximum Potential Liability</u>	<u>Amount Provided</u>	<u>Maximum Potential Liability</u>
Revaluation of investment property at 21% (1995:24%)	£ -	£ 16,025	£ -	£ 19,006
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The directors are of the opinion that no deferred tax liability will crystallise in the foreseeable future.

11. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Authorised:		
6,000 ordinary shares of 50p each	£ 3,000	£ 3,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
1,453 ordinary shares of 50p each	£ 727	£ 727
	<u> </u>	<u> </u>

12. INVESTMENT PROPERTY REVALUATION RESERVE

At 1 January 1996	189,950
At 31 December 1996	<u>£ 189,950</u>

13. CAPITAL REDEMPTION RESERVE

At 1 January 1996	671
At 31 December 1996	<u>£ 671</u>

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1996

14. PROFIT AND LOSS ACCOUNT

At 1 January 1996	32,866
Retained profit for the year	27,005
	<hr/>
At 31 December 1996	£ 59,871
	<hr/>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
Profit for the financial year	27,005	7,760
Opening shareholders' funds	224,214	216,454
	<hr/>	<hr/>
Closing shareholders' funds	£ 225,219	£ 224,214
	<hr/>	<hr/>

16. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1996 (1995: £ Nil).

17. DIRECTORS INTERESTS IN CONTRACTS

During the year, the company received rental income of £2,600 (1995: £2,600) from Collin Bros. Limited, a company in which the directors Mr P A Collin and Mr C A Collin each hold a 50% shareholding. The amount of rents receivable included in debtors at 31 December 1996 was £Nil (1995:£1,888). The transactions were undertaken on normal commercial terms.