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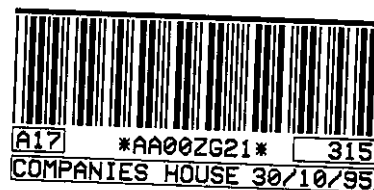
BAXTER GATE PROPERTIES LIMITED

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FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1994

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N J FREEMAN  
CERTIFIED ACCOUNTANT



BAXTER GATE PROPERTIES LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1994

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DIRECTORS

Mr P A Collin  
Mr H D Putt  
Mr C A Collin  
Mr D G Putt

SECRETARY

Mr P A Collin

REGISTERED OFFICE

41 Baxter Gate  
Loughborough  
Leicestershire  
LE11 1TQ

COMPANY NUMBER

0002258

ACCOUNTANT

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

BANKERS

Barclays Bank PLC  
3 Market Street  
Loughborough  
Leicestershire  
LE11 3EA

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| 3      | Profit and Loss Account |
| 4 - 5  | Balance Sheet           |
| 6 - 11 | Notes to the Accounts   |

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

|    |                                  |
|----|----------------------------------|
| 12 | Trading, Profit and Loss Account |
|----|----------------------------------|

## BAXTER GATE PROPERTIES LIMITED

### DIRECTORS' REPORT

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The directors submit their report and the financial statements of the company for the year ended 31 December 1994.

#### 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

The company's balance sheet as detailed on page 4 shows a satisfactory position with shareholders' funds amounting to £216,454, which includes £189,950 arising from the revaluation of the investment properties.

#### 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:-

|                                     | <u>Ordinary shares of 50p each</u> |                       |
|-------------------------------------|------------------------------------|-----------------------|
|                                     | <u>31 December 1994</u>            | <u>1 January 1994</u> |
| Mr R C Fletcher (Died 17 June 1994) | -                                  | 72                    |
| Mr P A Collin                       | 642                                | 642                   |
| Mr H D Putt                         | 10                                 | 10                    |
| Mr C A Collin                       | 114                                | 114                   |
| Mr D G Putt                         | 175                                | 5                     |

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

#### FIXED ASSETS

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

BAXTER GATE PROPERTIES LIMITED

DIRECTORS' REPORT (CONTINUED)

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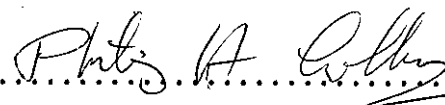
LAND AND BUILDINGS

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 1994.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are disclosed in note 18 of the accounts.

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

  
.....

Mr P A Collin  
Secretary

Date.....26/10/95.....

BAXTER GATE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1994

|   | <u>Notes</u> | <u>1994</u> | <u>1993</u> |
|---|--------------|-------------|-------------|
| TURNOVER                                    |              |             |             |
| Continuing operations                       |              | 13,130      | 13,130      |
| Administrative expenses                     |              | (6,102)     | (6,207)     |
| OPERATING PROFIT                            |              |             |             |
| Continuing operations                       |              | 7,028       | 6,923       |
| Investment income                           | 3            | 2,370       | 2,111       |
| Interest payable and<br>similar charges     | 4            | -           | (3)         |
|   |              | 2,370       | 2,108       |
| PROFIT ON ORDINARY<br>ACTIVITIES BEFORE TAX |              | 9,398       | 9,031       |
| Tax on profit on<br>ordinary activities     | 5            | 2,467       | 2,318       |
| PROFIT ON ORDINARY<br>ACTIVITIES AFTER TAX  |              | 6,931       | 6,713       |
| RETAINED PROFIT FOR THE YEAR                | 14           | £ 6,931     | £ 6,713     |

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

BAXTER GATE PROPERTIES LIMITED

BALANCE SHEET  
AS AT 31 DECEMBER 1994

|  | <u>Notes</u> | <u>1994</u>      | <u>1993</u>      |
|--|--------------|------------------|------------------|
| FIXED ASSETS                                   |              |                  |                  |
| Tangible fixed assets                          | 6            | 195,016          | 195,016          |
| CURRENT ASSETS                                 |              |                  |                  |
| Debtors  | 7            | 6,431            | 4,995            |
| Investments                                    | 8            | 40,813           | 39,049           |
| Cash at bank and in hand                       |              | 5,886            | 3,662            |
|  |              | <u>53,130</u>    | <u>47,706</u>    |
| CREDITORS, amounts falling due within one year | 9            | <u>(31,692)</u>  | <u>(33,199)</u>  |
| NET CURRENT ASSETS                             |              | 21,438           | 14,507           |
| TOTAL ASSETS LESS CURRENT LIABILITIES          |              | <u>£ 216,454</u> | <u>£ 209,523</u> |
| 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           | 25,106           | 18,175           |
| SHAREHOLDERS' FUNDS                            | 15           | <u>£ 216,454</u> | <u>£ 209,523</u> |

BAXTER GATE PROPERTIES LIMITED

BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 1994

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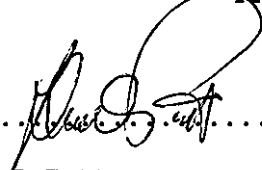
For the year ending 31 December 1994 the company was entitled to exemption from an audit of the accounts under section 249A(1) of the Companies Act 1985.

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 H D Putt  
Director

Date...26...OCT. 1995

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

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 1994

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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>1994</u> | <u>1993</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 1994

2. DIRECTORS AND EMPLOYEES

|                    | <u>1994</u>    | <u>1993</u>    |
|--------------------|----------------|----------------|
| Staff costs:-      |                |                |
| Wages and salaries | <u>£ 1,688</u> | <u>£ 1,750</u> |

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

|                | <u>1994</u> | <u>1993</u> |
|----------------|-------------|-------------|
| Administrative | <u>4</u>    | <u>5</u>    |

Directors' emoluments

|      | <u>1994</u>    | <u>1993</u>    |
|------|----------------|----------------|
| Fees | <u>£ 1,688</u> | <u>£ 1,750</u> |

3. INVESTMENT INCOME

|                                      | <u>1994</u>    | <u>1993</u>    |
|--------------------------------------|----------------|----------------|
| Building society interest receivable | <u>£ 2,370</u> | <u>£ 2,111</u> |

4. INTEREST PAYABLE AND SIMILAR CHARGES

|   | <u>1994</u> | <u>1993</u> |
|---|-------------|-------------|
| Wholey repayable within 5 years other than by installments: |             |             |
| Bank overdraft interest                                     | <u>£ -</u>  | <u>£ 3</u>  |

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 1994

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for tax is made up as follows:

|  | <u>1994</u>    | <u>1993</u>    |
|--|----------------|----------------|
| Current year:                          |                |                |
| U.K. Corporation tax at 25% (1993:25%) | 2,413          | 2,318          |
| Prior year:                            |                |                |
| U.K. Corporation tax                   | 54             | -              |
|  | <u>£ 2,467</u> | <u>£ 2,318</u> |

6. TANGIBLE FIXED ASSETS

|                     | <u>Investment<br/>Properties</u> | <u>Office<br/>Equipment</u> | <u>Fixtures<br/>and<br/>Fittings</u> | <u>Total</u>     |
|---------------------|----------------------------------|-----------------------------|--------------------------------------|------------------|
|                     | £                                | £                           | £                                    | £                |
| COST/VALUATION:     |                                  |                             |                                      |                  |
| At 1 January 1994   | 195,000                          | 109                         | 2,973                                | 198,082          |
| At 31 December 1994 | <u>195,000</u>                   | <u>109</u>                  | <u>2,973</u>                         | <u>198,082</u>   |
| DEPRECIATION:       |                                  |                             |                                      |                  |
| At 1 January 1994   | -                                | 108                         | 2,958                                | 3,066            |
| At 31 December 1994 | <u>-</u>                         | <u>108</u>                  | <u>2,958</u>                         | <u>3,066</u>     |
| NET BOOK VALUE:     |                                  |                             |                                      |                  |
| 31 December 1994    | <u>£ 195,000</u>                 | <u>£ 1</u>                  | <u>£ 15</u>                          | <u>£ 195,016</u> |
| 31 December 1993    | <u>£ 195,000</u>                 | <u>£ 1</u>                  | <u>£ 15</u>                          | <u>£ 195,016</u> |

Investment properties:-

|                             | <u>1994</u>      | <u>1993</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 1994

6. TANGIBLE FIXED ASSETS (CONTINUED)

Freehold land and buildings at valuation:

|                  | <u>1994</u> | <u>1993</u> |
|------------------|-------------|-------------|
| Valuation (1991) | £ 195,000   | £ 195,000   |

Freehold land and buildings at historical cost:

|      |         |         |
|------|---------|---------|
| Cost | £ 8,960 | £ 8,960 |
|------|---------|---------|

7. DEBTORS

|                                | <u>1994</u> | <u>1993</u> |
|--------------------------------|-------------|-------------|
| Rents receivable               | 5,255       | 3,275       |
| Prepayments and accrued income | 589         | 545         |
| Other debtors                  | 587         | 1,175       |
|                                | £ 6,431     | £ 4,995     |

8. CURRENT ASSET INVESTMENTS

|   | <u>1994</u> | <u>1993</u> |
|---|-------------|-------------|
| Shephed Building Society (Property)     | 2,651       | 1,356       |
| Loughborough Building Society           | 11,412      | 10,943      |
| Shephed Building Society (Capital Bond) | 26,750      | 26,750      |
|   | £ 40,813    | £ 39,049    |

9. CREDITORS: amounts falling due  
within one year

|   | <u>1994</u> | <u>1993</u> |
|---|-------------|-------------|
| U.K. Corporation tax                      | 1,616       | 1,737       |
| Other taxes and social security           | 350         | 325         |
| Other creditors                           | 2,886       | 4,297       |
| Amounts owing to untraceable shareholders | 26,840      | 26,840      |
|   | £ 31,692    | £ 33,199    |

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 1994

10. DEFERRED TAXATION

|   | <u>1994</u>                |  | <u>1993</u>                |  |
|---|----------------------------|--|----------------------------|--|
|   | <u>Amount<br/>Provided</u> | <u>Maximum<br/>Potential<br/>Liability</u> | <u>Amount<br/>Provided</u> | <u>Maximum<br/>Potential<br/>Liability</u> |
| Revaluation of investment<br>property at 25% (1993:25%) | £ -                        | £ 20,695                                   | £ -                        | £ 21,513                                   |
|   | <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>1994</u>       | <u>1993</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 1994   | 189,950           |
| At 31 December 1994 | £ 189,950         |
|                     | <u>          </u> |

13. CAPITAL REDEMPTION RESERVE

|                     |                   |
|---------------------|-------------------|
| At 1 January 1994   | 671               |
| At 31 December 1994 | £ 671             |
|                     | <u>          </u> |

14. PROFIT AND LOSS ACCOUNT

|                              |                   |
|------------------------------|-------------------|
| At 1 January 1994            | 18,175            |
| Retained profit for the year | 6,931             |
| At 31 December 1994          | £ 25,106          |
|                              | <u>          </u> |

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 1994

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15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                               | <u>1994</u>      | <u>1993</u>      |
|-------------------------------|------------------|------------------|
| Profit for the financial year | 6,931            | 6,713            |
| Opening shareholders' funds   | 209,523          | 202,810          |
| Closing shareholders' funds   | <u>£ 216,454</u> | <u>£ 209,523</u> |

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 1994 (1993: £ Nil).

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1994 (1993: £ Nil).

18. POST BALANCE SHEET EVENTS

The company's main tenant from whom 80% of the annual rental income is derived has gone into receivership during August 1995. The company is confident of re-letting the property and lease negotiations are currently being held with a prospective new tenant.