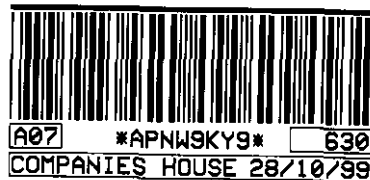


BAXTER GATE PROPERTIES LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

N J FREEMAN
CHARTERED CERTIFIED ACCOUNTANT



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BAXTER GATE PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

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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1 - 2	Directors' Report
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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 1998.

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 loss for the year be deducted from reserves.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Rental income rose during the year as a consequence of receiving a full years rent from the recently refurbished property. However, the club premises remained vacant throughout most of the year and income arising from this source will be reflected in next year's results. The incidence of necessary repair costs to the let properties resulted in higher overheads and consequently a net pre-tax loss.

The company's intention to carry out further refurbishment and maintenance of its properties in the future has been deferred until the company's cashflow improves.

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 1998</u>	<u>1 January 1998</u>
Mr P A Collin	632	632
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	36	36

BAXTER GATE PROPERTIES LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

In accordance with the Articles of Association, Mr C A Collin and Mr R D Fletcher retire by rotation and offer themselves for re-election.

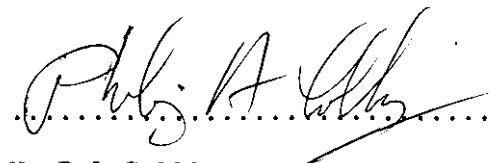
FIXED ASSETS

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

LAND AND BUILDINGS

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 1998.

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


.....

Mr P A Collin
Secretary

Date: 25 October 1999

BAXTER GATE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
TURNOVER		8,992	7,737
Administrative expenses		(12,880)	(9,107)
OPERATING (LOSS)		(3,888)	(1,370)
Investment income	3	721	1,384
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	4	(3,167)	14
Tax on (loss)/profit on ordinary activities	5	151	301
(LOSS) ON ORDINARY ACTIVITIES AFTER TAX		(3,318)	(287)
RETAINED (LOSS) FOR THE YEAR	14	£ (3,318)	£ (287)

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

BAXTER GATE PROPERTIES LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
FIXED ASSETS			
Tangible fixed assets	6	246,710	245,664
CURRENT ASSETS			
Debtors	7	5,798	6,925
Investments	8	13,638	20,265
Cash at bank and in hand		2,285	359
		<u>21,721</u>	<u>27,549</u>
CREDITORS, amounts falling due within one year	9	<u>(20,817)</u>	<u>(22,281)</u>
NET CURRENT ASSETS		904	5,268
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 247,614</u>	<u>£ 250,932</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	56,266	59,584
EQUITY SHAREHOLDERS' FUNDS		<u>£ 247,614</u>	<u>£ 250,932</u>

BAXTER GATE PROPERTIES LIMITED

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 1998


For the year ending 31 December 1998 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 requesting an audit of the accounts for the financial year under section 249B(2) of the Act.

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 loss 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. P. A. Collin
Director

Date: 25 October 1999

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

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 1998

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, and prepared in accordance with the Financial Reporting Standard for Smaller Entities:-

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>1998</u>	<u>1997</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. 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.

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1998

2. DIRECTORS AND EMPLOYEES

	<u>1998</u>	<u>1997</u>
Staff costs:-		
Wages and salaries	<u>£ 2,450</u>	<u>£ 1,950</u>

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

	<u>1998</u>	<u>1997</u>
Administrative	<u>7</u>	<u>7</u>

Directors' emoluments

	<u>1998</u>	<u>1997</u>
Fees	<u>£ 2,450</u>	<u>£ 1,950</u>

3. INVESTMENT INCOME

	<u>1998</u>	<u>1997</u>
Building society and bank interest receivable	<u>£ 721</u>	<u>£ 1,384</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	<u>1998</u>	<u>1997</u>
Profit on ordinary activities before tax is stated after charging/(crediting):		
Depreciation	<u>84</u>	<u>84</u>

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1998

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for tax is made up as follows:

	<u>1998</u>	<u>1997</u>
Current year:		
U.K. Corporation tax at 21% (1997:24%/21%)	£ 151	£ 301
	<u> </u>	<u> </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 1998	244,975	109	3,814	248,898
Additions	1,130	-	-	1,130
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1998	246,105	109	3,814	250,028
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:				
At 1 January 1998	-	108	3,126	3,234
Charge for the year	-	-	84	84
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1998	-	108	3,210	3,318
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:				
31 December 1998	£ 246,105	£ 1	£ 604	£ 246,710
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 1997	£ 244,975	£ 1	£ 688	£ 245,664
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Investment properties:-

	<u>1998</u>	<u>1997</u>
Freehold land and buildings	£ 246,105	£ 244,975
	<u> </u>	<u> </u>

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1998

6. TANGIBLE FIXED ASSETS (CONTINUED)

Freehold land and buildings at valuation:	<u>1998</u>	<u>1997</u>
Valuation (1991)	195,000	195,000
Improvements (cost - 1997)	49,975	49,975
Improvements (cost - 1998)	1,130	-
	<u>£ 246,105</u>	<u>£ 244,975</u>

Freehold land and buildings at historical cost:

Cost	<u>£ 60,065</u>	<u>£ 58,935</u>
------	-----------------	-----------------

7. DEBTORS

	<u>1998</u>	<u>1997</u>
Rents receivable	3,846	4,850
Prepayments and accrued income	1,135	354
Other debtors	817	1,721
	<u>£ 5,798</u>	<u>£ 6,925</u>

8. CURRENT ASSET INVESTMENTS

	<u>1998</u>	<u>1997</u>
Loughborough Building Society	13,027	12,624
Shepshed Building Society (Capital Bond)	611	7,641
	<u>£ 13,638</u>	<u>£ 20,265</u>

9. CREDITORS: amounts falling due
within one year

	<u>1998</u>	<u>1997</u>
U.K. Corporation tax	15	33
Other taxes and social security	448	835
Trade creditors	15,785	16,592
Other creditors	4,569	4,821
	<u>£ 20,817</u>	<u>£ 22,281</u>

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1998

10. DEFERRED TAXATION

	<u>1998</u>		<u>1997</u>	
	<u>Amount Provided</u>	<u>Maximum Potential Liability</u>	<u>Amount Provided</u>	<u>Maximum Potential Liability</u>
Revaluation of investment property at 20% (1997:20%)	£ -	£ 12,324	£ -	£ 14,290
	<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>1998</u>	<u>1997</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 1998	189,950
At 31 December 1998	£ 189,950
	<u> </u>

13. CAPITAL REDEMPTION RESERVE

At 1 January 1998	671
At 31 December 1998	£ 671
	<u> </u>

BAXTER GATE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 DECEMBER 1997

14. PROFIT AND LOSS ACCOUNT

At 1 January 1998	59,584
Retained loss for the year	(3,318)
At 31 December 1998	<u>£ 56,266</u>

15. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1998 (1997: £ Nil).

16. DIRECTORS INTERESTS IN CONTRACTS

During the year, the company acquired rental income of £855 (1997: £2,600) from Collin Bros. Limited, a company in which the directors Mr P A Collin and Mr C A Collin each held a 50% shareholding.

During the year, the company acquired rental income of £666 (1997: £Nil) and incurred charges of £666 (1997: £Nil) from Tiger Fireplace, a business in which the director Mr P A Collin is the sole proprietor.