

MINDRUM PROPERTIES LIMITED

DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2006

GREAVES WEST AND AYRE

CHARTERED ACCOUNTANTS

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MINDRUM PROPERTIES LIMITED

COMPANY INFORMATION

Directors	The Hon. P.J.W. Fairfax T.P. Fairfax The Hon. Mrs. V.A. Fairfax
Secretary	The Hon. Mrs. V.A. Fairfax
Company Number	00543645
Registered Office	Mindrum Farm Mindrum Northumberland TD12 4QN
Accountants	Greaves West and Ayre Chartered Accountants 1/3 Sandgate Berwick upon Tweed TD15 1EW
Bankers	Bank of Scotland p.l.c. 88 High Street Coldstream Berwickshire TD12 4AQ
Solicitors	Dickinson Dees St. Ann's Wharf 112 Quayside Newcastle upon Tyne NE99 1SB

MINDRUM PROPERTIES LIMITED

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MINDRUM PROPERTIES LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2006

The directors present their report and the financial statements for the year ended 31st March 2006.

Principal Activity

The principal activity of the company is supervision and letting of property.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2006	2005
The Hon. P.J.W. Fairfax	6,199	6,199
T.P. Fairfax	1	1
The Hon. Mrs. V.A. Fairfax	-	-

T.P. Fairfax is one of the beneficiaries of the P.J.W. Fairfax Discretionary Trust which holds 1,800 Ordinary £1 shares in the company.

Exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on

18/1/07

And signed on its behalf by

Virginia A. Fairfax

.....
The Hon. Mrs. V.A. Fairfax
Secretary

MINDRUM PROPERTIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2006

<u>2005</u>		<u>Notes</u>	<u>2006</u>
£			£
	Fixed Assets		
976,386	Tangible assets	2	976,385
1	Investments	3	111
<u>976,387</u>			<u>976,496</u>
	Current Assets		
5,699	Debtors	4	110,925
348,320	Cash at bank and in hand		221,650
<u>354,019</u>			<u>332,575</u>
	Creditors : Amounts falling		
(152,309)	due within one year	5	(281,948)
<u>201,710</u>	Net Current Assets		<u>50,627</u>
1,178,097	Total Assets Less Current Liabilities		1,027,123
	Creditors : Amounts falling due		
(176,632)	after more than one year	6	-
<u>1,001,465</u>	Net Assets		<u>1,027,123</u>

The notes on pages 5 to 10 form an integral part of these financial statements.

MINDRUM PROPERTIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2006

<u>2005</u>	<u>Notes</u>	<u>2006</u>
£		£
	Capital and Reserves	
8,000	Called up share capital	8,000
993,465	Profit and loss account	1,019,123
<u>1,001,465</u>	Shareholders' Funds	<u>1,027,123</u>

In the directors' opinion the company was entitled under section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31st March 2006. No member of the company has deposited a notice under section 249B(2) requiring an audit of these accounts.

The directors' are responsible for ensuring the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and its profit or loss for each year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.


The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board on 18/1/07

And signed on its behalf by



The Hon. P.J.W. Fairfax, Director



T.P. Fairfax, Director

The notes on pages 5 to 10 form an integral part of these financial statements.

MINDRUM PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2006

<u>2005</u>		<u>Notes</u>	<u>2006</u>
£			£
64,538	Turnover		87,894
(23,685)	Administrative expenses		(24,273)
-	Other operating income		250
<u>40,853</u>	Operating profit	8	<u>63,871</u>
84,917	Profit on sale of fixed assets		-
<u>125,770</u>	Profit on ordinary activities before interest		<u>63,871</u>
7,315	Interest receivable and similar income		10,753
(14,194)	Interest payable and similar charges	9	(11,061)
<u>118,891</u>	Profit on ordinary activities before taxation		<u>63,563</u>
(9,371)	Tax on profit on ordinary activities	11	(11,905)
<u>109,520</u>	Profit on ordinary activities after taxation		<u>51,658</u>
(13,000)	Dividends		(26,000)
<u>96,520</u>	Retained profit for the year		<u>25,658</u>
<u>896,945</u>	Retained profit brought forward		<u>993,465</u>
<u>993,465</u>	Retained profit carried forward		<u>1,019,123</u>

The notes on pages 5 to 10 form an integral part of these financial statements.

MINDRUM PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2. Turnover

Turnover represents all rental income earned during the year wholly undertaken within the UK.

1.3. Tangible fixed assets and depreciation

No depreciation is provided on freehold properties. The company's properties are maintained as a matter of policy, by a programme of repair and refurbishment to ensure that their residual values are at least equal to book values. Having regard to this, it is the opinion of the directors that the current market values of the properties are considerably in excess of current book value.

1.4. Consolidated accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

1.5. Investment properties

Land and buildings held as investment and for non-specialised development are included in the accounts at Market Value, as defined within the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors, Fifth Edition.

In accordance with Statement of Standard Accounting Practice 19, investment properties are normally revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; no depreciation or amortisation is provided in respect of investment properties. Although the Companies Act would require the annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation is necessary in order for the accounts to give a true and fair view. The current value of investment properties, and changes in that current value, are of more importance than the calculation of annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount that might otherwise have been shown cannot be separately identified or quantified.

No provision is made for any contingent liability in respect of capital gains tax or other taxation, which would arise in the event of sales of investment properties being effected at the valuation at which they are carried in the balance sheet.

MINDRUM PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

2. Tangible fixed assets

	<u>Land and Buildings Freehold</u>
	£
Cost	
Brought Forward	976,385
	<hr/>
Net book values	
At 31st March 2006	976,385
	<hr/>
At 31st March 2005	976,386
	<hr/> <hr/>

3. Fixed asset investments

	<u>Subsidiary Undertakings Shares</u>
	£
Cost	
At 1st April 2005	1
Additions	110
	<hr/>
At 31st March 2006	111
	<hr/>
Net book values	
At 31st March 2006	111
	<hr/>
At 31st March 2005	1
	<hr/> <hr/>

MINDRUM PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

3.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	<u>Shares held</u> <u>Class</u>
Subsidiary undertaking		
Wishart Properties Limited	U.K.	50% of ordinary shares
Twinley Properties Limited	U.K.	50% of ordinary shares

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<u>Capital and reserves</u>	<u>Profit for the year</u>
	<u>£</u>	<u>£</u>
Wishart Properties Limited	(27,651)	(27,653)
Twinley Properties Limited	(8,137)	(8,357)

4. Debtors

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Amount owed by connected companies	110,925	-
Prepayments and accrued income	-	5,699
	<u>110,925</u>	<u>5,699</u>

MINDRUM PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

5. Creditors : Amounts falling due within one year	<u>2006</u>	<u>2005</u>
	£	£
Bank loan	-	33,253
Amounts owed to connected companies	152,291	-
Corporation tax	11,905	9,371
Other taxes and social security costs	4,559	1,615
Directors' accounts	70,970	70,970
Other creditors	1,731	1,622
Accruals and deferred income	14,492	9,478
Proposed dividend	26,000	26,000
	<u>281,948</u>	<u>152,309</u>

Bank borrowing is secured by a letter of guarantee for £150,000 by the Hon. P.J.W. Fairfax dated 20.10.93 and a debenture held over the whole assets of the company for all sums due dated 11.02.97.

6. Creditors : Amounts falling due after more than one year	<u>2006</u>	<u>2005</u>
	£	£
Bank loan	-	176,632

7. Share capital	<u>2006</u>	<u>2005</u>
	£	£
Authorised		
8,000 Ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>
Allotted, called up and fully paid		
8,000 Ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>

8. Operating profit	<u>2006</u>	<u>2005</u>
	£	£
Operating profit is stated after charging :		
Profit on sale of fixed assets	<u>-</u>	<u>84,917</u>

MINDRUM PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

9. Interest payable and similar charges	<u>2006</u>	<u>2005</u>
	£	£
On loans and overdrafts	<u>11,061</u>	<u>14,194</u>
10. Directors' emoluments		
There were no employees during the year apart from the directors.		
	<u>2006</u>	<u>2005</u>
	£	£
Remuneration and other benefits	<u>9,000</u>	<u>9,089</u>
11. Taxation	<u>2006</u>	<u>2005</u>
	£	£
UK current year taxation		
UK Corporation Tax at 19% (2005 - 19%)	<u>11,905</u>	<u>9,371</u>

MINDRUM PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

12. Related party transactions

All related party transactions are carried out on an "arms length" basis within the normal course of business.

£1,000(2005 £1,089) was reimbursed to the directors during the year.

The company owns 50% of the share capital of Wishart Properties Limited and 50% of Twinley Properties Limited.

During the year Mindrum Properties received a loan from Wishart Properties for £149,110. The interest on this loan is paid monthly. The capital amount and 5 months interest (£3,591) was outstanding at the year end, along with £1 for its share purchase.

The company has provided a £100,000 loan to Twinley Properties Limited and this amount is outstanding at the year end, along with accrued interest of £5,333, however it is also due Twinley Properties Limited £110 for its share purchase.

The company provided a loan of £5,000 to Wishart Properties which is outstanding at the year end along with £217 accrued interest. £375 for expenditure on behalf of Wishart Properties is also outstanding at the year end.

The company advanced a loan of £521.48 to Havering Properties Limited, at the year end this balance remained outstanding.

13. Controlling party

The company is controlled by The Hon. P.J.W. Fairfax, director, by virtue of his share holding.

14. Contingent liabilities

A subsidiary of Mindrum Properties Limited, Wishart Properties Limited has secured a loan over the following properties owned by Mindrum Properties Limited:

190 Shooters Hill Road, Blackheath
52 Front Street, Stanley
16 Gowthorpe, Selby
33 Stonegate, York

The loan is also secured over properties owned by Havering Properties Limited to a maximum of £3,000,000.