

BREWER PROPERTIES LIMITED

COMPANY NUMBER: 882638

DIRECTORS' REPORT



The directors present their annual report and the audited financial statements for the year ended 31st March 1998.

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.

The responsibility for safeguarding the assets of the company also includes the responsibility for assessing the likely impact of and disruption to the company's activities of any system malfunction which may arise as a result of the Year 2000 computer issue and hence for taking all corrective actions which may be necessary to minimise any potential disruption to the company's activities.

Year 2000

Many computer and digital storage systems express dates using only the last two digits for the year. As a result they will require modification or replacement to accommodate dates in the Year 2000 and beyond, and in some cases, dates in 1999. If not addressed, systems failures may ensue, with potentially serious implications for the ability of an organisation to continue its activities.

The company has been in the process of assessing the likely impact on it of the issue. This assessment includes both the company's own systems, and those of its key customers and suppliers. Action plans are being implemented to ensure any problems so far as can be reasonably foreseen, are identified and addressed in advance of critical dates to minimise the risk of disruption to the company's activities.

The complexity of the Year 2000 issue is such that it is not possible for any organisation to give an absolute guarantee that no problems will remain. However, the company believes that it will achieve an acceptable level of readiness and will have contingency plans in place to deal with failures or other issues that may arise subsequently.

The company has an ongoing programme of upgrading and enhancing its computerised systems. The Year 2000 issue is being dealt with as part of this programme and as such it is not practical to separately identify costs specifically associated with this issue.

BREWER PROPERTIES LIMITED**COMPANY NUMBER: 882638****DIRECTORS' REPORT CONTINUED****Activities**

The principal activity of the company continues to be that of property developers, caravan dealers and site operators.

Directors

The directors listed below held office throughout the year and their interests in the company's shares at 31st March 1998 and 1997 were:


	Ordinary shares			
	1998		1997	
	Voting	Non-voting	Voting	Non-voting
R.S.B. Brewer	39	3	39	3
O.M. Brewer (Mrs)	39	3	39	3
A.E. Shaw (Mrs)	24	48	24	48

In accordance with the company's Articles of Association Mrs O.M. Brewer retires by rotation and, being eligible, offers herself for re-election.

Auditors

A resolution to re-appoint Casson Beckman as auditors will be proposed at the forthcoming Annual General Meeting.

This report, is prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small companies and was approved by the Board on 26 July 1999. and signed on their behalf.

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O.M. Brewer - Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF

BREWER PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention as modified by the revaluation of investment properties and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Casson Beckman
Chartered Accountants and
Registered Auditors
Ashworth House
Manchester Road
Burnley BB11 1TT

27 January 1999

BREWER PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 1998**

	Note	1998 £	1997 £
Turnover - continuing operations	2	567,333	199,621
Cost of sales		361,424	54,291
Gross profit		<u>205,909</u>	<u>145,330</u>
Distribution costs		16,680	16,178
Administration expenses		215,015	121,020
		<u>231,695</u>	<u>137,198</u>
Operating (loss)/profit - continuing operations	3	(25,786)	8,132
Interest receivable		7,576	-
Interest payable	4	(1,027)	(9,044)
Loss on ordinary activities before Taxation		<u>(19,237)</u>	<u>(912)</u>
Tax on loss on ordinary activities	5	1,080	(482)
Loss for the financial year		<u>(18,157)</u>	<u>(1,394)</u>
Profit and loss account brought forward		<u>129,471</u>	<u>130,865</u>
Profit and loss account carried forward		<u><u>111,314</u></u>	<u><u>129,471</u></u>

BREWER PROPERTIES LIMITED**BALANCE SHEET AT 31ST MARCH 1998**

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	6		444,416		453,342
Investment properties	7		30,000		30,000
Current assets					
Stocks		8,800		35,637	
Debtors	8	54,491		57,411	
Cash in hand and at bank		70,017		39,056	
		<u>133,308</u>		<u>132,104</u>	
Creditors: amounts falling due within one year					
Trade creditors		30,270		6,108	
Other creditors	9	133,846		152,513	
		<u>164,116</u>		<u>158,621</u>	
Net current liabilities			(30,808)		(26,517)
Total assets less current liabilities			443,608		456,825
Creditors: amounts falling due after more than one year	10		(307,614)		(302,674)
			<u>135,994</u>		<u>154,151</u>
Capital and reserves					
Called up share capital	11		300		300
Profit and loss account			111,314		129,471
Investment Revaluation Reserve	12		24,380		24,380
Equity shareholders' funds			<u>135,994</u>		<u>154,151</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors on 26 January 1999. and signed on their behalf.

Ann E. Shaw

A.E. Shaw - Director

BREWER PROPERTIES LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 31ST MARCH 1998**

	1998 £	1997 £
Loss for the financial year	(18,157)	(1,394)
Deficit arising on revaluation of investment property	-	(10,000)
Total recognised gains and losses relating to the year	<u>(18,157)</u>	<u>(11,394)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**YEAR ENDED 31ST MARCH 1998**

	1998 £	1997 £
Loss for the financial year	(18,157)	(1,394)
Other recognised gains and losses relating to the year	-	(10,000)
Net reduction in shareholders' funds	<u>(18,157)</u>	<u>(11,394)</u>
Opening shareholders' funds	154,151	165,545
Closing shareholders' funds	<u>135,994</u>	<u>154,151</u>

BREWER PROPERTIES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31ST MARCH 1998****1. Accounting policies****a) Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties.

b) Tangible fixed assets

Depreciation is provided on cost in annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles	25% per annum - reducing balance
Equipment	10% per annum reducing balance and straight line
Freehold property	2%-4% per annum straight line

c) Investment properties

In accordance with statement of Standard Accounting Practice Number 19, investment properties are revalued on an annual basis and the aggregate surplus or deficit is transferred to investment revaluation reserve.

d) Stocks

Stocks are stated at the lower of cost and net realisable value.

e) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Provision is made to the extent that it is probable that a liability or asset will crystallise in the foreseeable future. However, no provision is necessary in these financial statements.

BREWER PROPERTIES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31ST MARCH 1998**

2. Turnover	1998	1997
	£	£
Property rent	6,250	33,024
Caravan and accessory sales	424,232	52,731
Assignment fees	22,286	12,225
Site and wintering fees	86,087	74,237
Caravan insurances received	8,183	8,233
Gas, water, electricity and telephone	19,717	18,932
Games room receipts	222	147
Laundry	356	92
	<u>567,333</u>	<u>199,621</u>
3. Operating (loss)/ profit		
Operating (loss)/profit is after charging:		
Depreciation of tangible fixed assets:		
Own assets	14,142	14,655
Assets held under hire purchase contracts	6,766	8,551
Auditors' remuneration	1,750	1,700
Directors' remuneration	93,550	73,233
Pension costs (of which £500 is included in directors' remuneration)	<u>500</u>	<u>840</u>
4. Interest payable and similar charges		
This heading includes:		
Interest on hire purchase contracts	<u>1,027</u>	<u>872</u>
5. Tax on loss on ordinary activities		
United Kingdom corporation tax at 21% based on the loss for the year (1997 - 24%)	(1,080)	1,100
Adjustment to prior year's tax provisions	-	(618)
	<u>(1,080)</u>	<u>482</u>

BREWER PROPERTIES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31ST MARCH 1998**

6. Tangible fixed assets	Freehold land and buildings £	Plant and Machinery etc. £	Total £
Cost			
At 1st April 1997	470,632	161,980	632,612
Additions	-	12,308	12,308
Disposals	-	(1,293)	(1,293)
	<hr/>	<hr/>	<hr/>
At 31st March 1998	470,632	172,995	643,627
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1st April 1997	73,550	105,720	179,270
Charge for the year	8,654	12,254	20,908
Eliminated	-	(967)	(967)
	<hr/>	<hr/>	<hr/>
At 31st March 1998	82,204	117,007	199,211
	<hr/>	<hr/>	<hr/>
Net book value			
At 31st March 1998	<u>388,428</u>	<u>55,988</u>	<u>444,416</u>
At 31st March 1997	<u>397,082</u>	<u>56,260</u>	<u>453,342</u>

The directors consider the current market value of the freehold land and buildings to be in excess of the values at which they are included in the financial statements. Included within plant and machinery are assets with a cost price of £42,649 which, although still in use, are fully depreciated.

The net book value includes £27,347 in respect of assets held under hire purchase contracts.

7. Investment properties

	£
Valuation	
At 1st April 1997 and 31st March 1998	<u>30,000</u>

Comparable amounts determined according to the historical cost convention

Cost	
At 31st March 1997 and 1998	<u>5,620</u>

In accordance with the company's accounting policy, the value of investment properties is re-assessed on an annual basis, by the directors, who, on their re-assessment take into account the current market conditions. Any adjustments necessary following the annual assessment are accounted for by transfers to/from the Investment Revaluation Reserve.

BREWER PROPERTIES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31ST MARCH 1998**

8. Debtors	1998	1997
	£	£
Corporation tax recoverable	1,080	-
VAT recoverable	3,150	-
Trade debtors - due within one year	755	88
Other debtors	4,506	7,323
Related party - note 13 - due within one year	5,000	5,000
- due after more than one year	40,000	45,000
	<u>54,491</u>	<u>57,411</u>
 9. Other creditors		
Site fees in advance	70,974	69,515
Taxation and social security	14,285	9,992
Directors' loans	40,000	40,000
Other creditors	3,915	25,839
Obligations under hire purchase contracts	4,672	7,167
	<u>133,846</u>	<u>152,513</u>
 10. Creditors: amounts falling due after more than one year		
Obligations under hire purchase contracts	6,111	13,278
Directors' loans	346,175	336,563
Amounts falling due within one year	(44,672)	(47,167)
	<u>307,614</u>	<u>302,674</u>

The directors' loans are unsecured and interest free.

BREWER PROPERTIES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31ST MARCH 1998**

11. Called up share capital	1998	1997
	£	£
Authorised		
20,000 ordinary shares of £1 each - voting	20,000	20,000
20,000 ordinary shares of £1 each - non-voting	20,000	20,000
	<hr/>	<hr/>
Allotted and fully paid		
150 ordinary shares of £1 each - voting	150	150
150 ordinary shares of £1 each - non-voting	150	150
	<hr/>	<hr/>
12. Investment properties revaluation reserve	£	
At 31st March 1997 and 31st March 1998	24,380	
	<hr/>	

13. Related party transaction

During the year ended 31st March 1997 the company sold, at open market value, one of its investment properties to "Brewer Holdings", an unincorporated partnership in which all of the company's shareholders, with the exception of Mrs. O.M. Brewer, have an interest.

The sale consideration for the property was partly settled by a £50,000 mortgage granted by the company. This mortgage, which is secured by a second charge over the property in question, is for a period of ten years with equal annual capital repayments of £5,000 and with interest being charged at the rate of 3¼% over the base lending rate of the company's bankers.