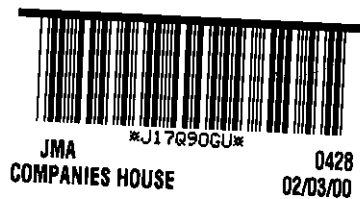


**Emerson Commercial Developments Limited**

Report and Accounts

Year Ended 30 April 1999

Company Reg no:1013185



# Emerson Commercial Developments Limited

## Report and Accounts

Year Ended 30 April 1999

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# **Emerson Commercial Developments Limited**

## **Report of the Directors**

### **Year Ended 30 April 1999**

The Directors present herewith the audited accounts for the year ended 30 April 1999.

#### **1 Results and Dividends**

The net profit for the year was £17983. The Directors recommend a final dividend for the year of £24,000.

#### **2 Principal Activities**

The company's principal activity during the year was that of an investment holding company.

The Directors consider both the level of business and the financial position of the company at 30 April 1999 to be satisfactory and expect the present level of activity to continue in the current financial year.

#### **3 Directors and their Interests**

The Directors who served during the year were as follows :

P.E. Jones                      (Chairman)  
Mrs A. Jones  
M.E. Jones  
A.E. Jones

The shares are held by trustees of a Jones family settlement.

#### **4 Statement of Directors' Responsibilities**

The Directors are required by United Kingdom company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that year. For this purpose it is necessary to make both judgements and estimates and this is done on a reasonable and prudent basis.

In preparing the accounts the going concern basis has been applied, suitable accounting policies have been used and applied consistently, and applicable accounting standards have been followed, subject to any material departures disclosed and explained.

The Directors are also responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and which 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Emerson Commercial Developments Limited**

## **Report of the Directors**

### **Year Ended 30 April 1999**

#### **5 Year 2000**

The directors have considered the effect of the Year 2000 (millennium bug) issue on its operations and have identified in detail the areas which have the potential to cause disruption to the company.

All internal computerised systems have been tested for Year 2000 compliance as at 30 April 1999 and all required upgrades have been actioned.

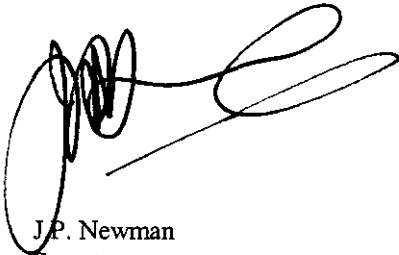
It is recognised that non-compliance with Year 2000 issues by certain third parties, including major supplies, can affect the company. Therefore, information is being actively sought from key organisations to ensure their Year 2000 plans will not adversely affect the company.

It is estimated that the cost of new equipment, software upgrades and advice on the Year 2000 issue will not be significant and will be written off as incurred.

#### **6 Auditors**

A resolution to reappoint the auditors, Ernst and Young will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to be 'J.P. Newman', written over a horizontal line.

J.P. Newman  
Secretary  
23 February 2000

# Emerson Commercial Developments Limited

## Profit and Loss Account

Year Ended 30 April 1999

	Notes	1999 £	1998 £
Turnover	1	26,237	21,665
Net operating expenses	2	597	1,050
Operating profit		<u>25,640</u>	<u>20,615</u>
Interest payable / (receivable)	3	(59)	0
Profit on ordinary activities before taxation		<u>25,699</u>	<u>20,615</u>
Tax on profit on ordinary activities	4	7,716	6,013
Profit for the financial year after taxation		<u>17,983</u>	<u>14,602</u>
Dividends on equity shares	5	24,000	0
Retained profit brought forward		157,139	142,537
Prior year adjustment to retained profit	14	4,339	0
Retained profit carried forward		<u>155,461</u>	<u>157,139</u>

The above figures relate exclusively to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

# Emerson Commercial Developments Limited

## Balance Sheet

As at 30 April 1999

	Notes	1999	1998
		£	£
Fixed Assets			
Tangible assets	7	179,288	179,288
Investments	8	<u>50,250</u>	<u>50,250</u>
		229,538	229,538
Current Assets			
Debtors	9	25,870	27,020
Cash		108,264	86,086
		<u>134,134</u>	<u>113,106</u>
Creditors: amounts falling due within one year	10	<u>132,111</u>	<u>109,405</u>
Net Current Assets		2,023	3,701
Total assets less current liabilities		<u>231,561</u>	<u>233,239</u>
Creditors: amounts falling due after more than one year	11	<u>76,000</u>	<u>76,000</u>
Net Assets		<u><u>155,561</u></u>	<u><u>157,239</u></u>
Capital and Reserves			
Called up share capital	12	100	100
Profit and loss account	13	<u>155,461</u>	<u>157,139</u>
Equity Shareholders' Funds	14	<u><u>155,561</u></u>	<u><u>157,239</u></u>

Approved by the Board on 23 February 2000

P.E. Jones  
Director



# **Emerson Commercial Developments Limited**

## **Statement of Accounting Policies**

The following accounting policies have been applied consistently in dealing with items considered material to the company's affairs:

### **Basis of accounting**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

### **Turnover**

Turnover, which excludes value added tax, comprises amounts invoiced during the year for the rent of commercial property.

### **Cash Flow Statement**

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

### **Tangible Fixed Assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

### **Investment properties**

The company's property is held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows :

- i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year, and
- ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the Directors believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

### **Deferred taxation**

No liability for UK deferred taxation to date is likely to arise in the next three years or thereafter so far as can reasonably be foreseen and accordingly no provision has been made in the accounts.

# **Emerson Commercial Developments Limited**

## **Notes to the Accounts**

### **1 Turnover**

The turnover consists entirely of rental income derived in the United Kingdom.

1999  
£

1998  
£

### **2 Net operating expenses**

Audit fees	1,000	1,000
Bank charges	51	50
Sundry	(454)	0
	<u>597</u>	<u>1,050</u>

### **3 Interest payable / (receivable)**

Bank interest receivable	(59)	0
	<u>(59)</u>	<u>0</u>

### **4 Tax on profit on ordinary activities**

Corporation tax for the year at 31%	7,716	6,013
	<u>7,716</u>	<u>6,013</u>

At the balance sheet date the potential liability to deferred taxation using the liability method was :

Accelerated capital allowances	54,173	55,518
Expenditure allowable in future years	0	(1,345)
	<u>54,173</u>	<u>54,173</u>

### **5 Dividends**

Equity dividends on ordinary shares ;

Final proposed	24,000	0
	<u>24,000</u>	<u>0</u>

### **6 Directors' emoluments**

During the year the Directors neither received nor were due to receive any emoluments from the company.  
No other persons were employed by the company in the financial year.



# **Emerson Commercial Developments Limited**

## **Notes to the Accounts**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
<b>7 <u>Tangible fixed assets</u></b>		
Land	103,288	103,288
Long Leasehold property at cost	76,000	76,000
	<hr/>	<hr/>
	<u>179,288</u>	<u>179,288</u>

In the opinion of the directors, the open market value of the property is not significantly different from the stated amount.

## **8 Investments**

Unquoted shares at cost	<u>50,250</u>	<u>50,250</u>
Directors' valuation of investments	<u>319,921</u>	<u>301,464</u>

The company holds 500 £1 ordinary shares representing 50% (1998 : 50%) of the share capital of Woodblane Developments (Holdings) Limited, a company incorporated in Scotland. The shares are not quoted and are shown at cost in the balance sheet. As the company does not exert a significant influence over Woodblane, its result has not been included in these accounts.

## **9 Debtors**

Amounts falling due within one year		
Amounts due from related parties	25,870	27,020
	<hr/>	<hr/>
	<u>25,870</u>	<u>27,020</u>

## **10 Creditors: amounts falling due within one year**

Amounts due to related parties	93,473	93,473
Other creditors	1,842	5,649
Corporation tax payable	7,716	6,013
Accruals	5,080	4,270
Proposed dividend	24,000	0
	<hr/>	<hr/>
	<u>132,111</u>	<u>109,405</u>

# **Emerson Commercial Developments Limited**

## **Notes to the Accounts**

	<u>1999</u> £	<u>1998</u> £
<b>11 Creditors: amounts falling due after one year</b>		
being long term loan secured on commercial properties :		
Repayable within five years	<u>76,000</u>	<u>76,000</u>

The interest rate is 1.5% over base.

### **12 Called up share capital**

	Authorised Allotted and fully paid £
Ordinary shares of £1 each	<u>100</u>

There was no change in share capital during the year.

### **13 Profit and Loss Account**

The movement in the profit and loss account is shown on Page 3.

### **14 Reconciliation of movement in shareholders' funds**

	<u>1999</u> £	<u>1998</u> £
Opening shareholders' funds	157,239	142,637
Prior year adjustment	4,339	0
Dividend	(24,000)	0
Profit for the financial year	17,983	14,602
Shareholders' funds at 30 April 1999	<u>155,561</u>	<u>157,239</u>

The adoption of Financial Reporting Standard 12 (Provisions, Contingent Liabilities and Contingent Assets) has necessitated an adjustment to certain provisions made in prior years.

### **15 Related Parties**

The company is related to Emerson Developments (Holdings) Limited and PE Jones (Properties) Ltd, companies which are subject to common influence. Amounts outstanding with these companies are disclosed in notes 9 and 10.

During the year the company has received rental collection and administration services from companies within the Emerson Developments (Holdings) Limited Group, for which no fee was charged.

# **Emerson Commercial Developments Limited**

## **Auditors' Report to the Shareholders of**

### **Emerson Commercial Developments Limited**

We have audited the financial statements on pages 3 to 8, which have been prepared under the historical cost convention and on the basis of the accounting policies on page 5.

#### **Respective responsibilities of Directors and Auditors**

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

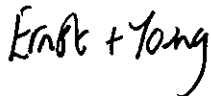
#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 April 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
Manchester  
M2 3EY  
23 February 2000