

Registered no. 1124571

BLUENOTCH LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31 JULY 1999



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COMPANIES HOUSE

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DAVIES WATSON
15A LESBOURNE ROAD
REIGATE
SURREY
RH2 7JP

BLUENOTCH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1999

Directors' Responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- *select suitable accounting policies and then apply them consistently;*
- *make judgements and estimates that are reasonable and prudent;*
- *follow applicable accounting standards subject to any material departures disclosed and explained in the accounts; and*
- *prepare the accounts on a 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 accounts 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.

Directors

D.W.Dove
J.M.Rowlands

Secretary

J.M.Rowlands

Registered Office

15A Lesbourne Road
Reigate
Surrey
RH2 7JP

Principal Activities

The principal activity of the company is the ownership of and dealing in freehold and leasehold property.

Directors

The present directors are as shown above. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

BLUENOTCH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1999 (CONT'D)

Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

	31 July 1999	1 August 1998
D.W.Dove	50	50
J.M.Rowlands	50	50

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD


J.M. ROWLANDS - SECRETARY

Date: 21st March 2000

BLUENOTCH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1999

	Note	1999 £	1998 £
TURNOVER	2	125,777	105,374
Net operating expenses	3	34,940	(21,249)
OPERATING PROFIT	4	90,837	126,623
Other interest receivable and similar income		2,462	672
Interest payable and similar charges		(10,081)	(13,300)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		83,218	113,995
Tax on profit on ordinary activities	6	21,350	29,234
PROFIT FOR THE FINANCIAL YEAR		61,868	84,761
Dividends	7	-	49,418
RETAINED PROFIT FOR THE FINANCIAL YEAR		61,868	35,343
Retained profit brought forward		208,516	173,173
RETAINED PROFIT CARRIED FORWARD		270,384	208,516

The annexed notes form part of these accounts.

BLUENOTCH LIMITED

BALANCE SHEET AT 31 JULY 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	7	674,388	583,989
CURRENT ASSETS			
Debtors	8	2,142	3,875
Cash at bank and in hand		58,728	113,863
		<u>60,870</u>	<u>117,738</u>
CREDITORS			
Amounts falling due within one year	9	<u>68,161</u>	<u>76,498</u>
NET CURRENT (LIABILITIES)/ASSETS		(7,291)	41,240
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>667,097</u>	<u>625,229</u>
CREDITORS			
Amounts falling due after more than one year	10	(183,994)	(203,994)
NET ASSETS		<u>483,103</u>	<u>421,235</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Other reserves	12	212,619	212,619
Profit and loss account		<u>270,384</u>	<u>208,516</u>
SHAREHOLDERS' FUNDS		<u>483,103</u>	<u>421,235</u>

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

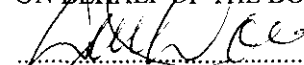
The directors acknowledge their responsibilities for:

- i ensuring that the company keeps accounting records which comply with section 221; and
- ii preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the board on 21st March 2000

ON BEHALF OF THE BOARD


D.W. DOVE - DIRECTOR

Date: 21st March 2000

The annexed notes form part of these accounts.

BLUENOTCH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the accounts are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Accounts

The accounts have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 July 1999 which occurred before the date of approval of the accounts by the Board of Directors, have been included in the accounts to the extent required to show a true and fair view of the state of affairs at 31 July 1999 and of the results for the year ended on that date.

Depreciation

Depreciation is provided on all tangible fixed assets, except freehold property and freehold ground rents, at rates calculated to write off the cost less estimated net residual value of each asset over its effective useful life as follows:

Motor vehicles - 25% per annum on reducing balance

Investment properties

Freehold properties and ground rents included in tangible fixed assets are regarded as investment properties. In accordance with statement of Standard Accounting Practice 19 investment properties should be revalued annually and the aggregate surplus or deficit transferred to a revaluation reserve. No depreciation is provided in respect of freehold investment properties.

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 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. However, the directors have not included the investment properties at their current open market value.

2. TURNOVER

The company's turnover represents rents and transfer fees receivable.

3. NET OPERATING EXPENSES

	1999 £	1998 £
Property expenses	19,651	32,483
Administrative expenses	15,289	11,447
Other operating income	-	(65,179)
	<u>34,940</u>	<u>(21,249)</u>

BLUENOTCH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999 (CONT'D)

4. OPERATING PROFIT

Operating profit is stated after charging:

	1999 £	1998 £
Depreciation of fixed assets	1,093	1,458

5. DIRECTORS' REMUNERATION

There were no emoluments payable to any directors during the year.

6. TAXATION ON ORDINARY ACTIVITIES

	1999 £	1998 £
Current year		
Corporation tax at 30% and 31% (1998 31%)	21,350	29,234

BLUENOTCH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999 (CONT'D)

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Total £
Cost			
At 1 August 1998	579,616	10,365	589,981
Additions	91,492	-	91,492
	<hr/>	<hr/>	<hr/>
At 31 July 1999	671,108	10,365	681,473
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 August 1998	-	5,992	5,992
Charge for the year	-	1,093	1,093
	<hr/>	<hr/>	<hr/>
At 31 July 1999	-	7,085	7,085
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 July 1999	671,108	3,280	674,388
	<hr/>	<hr/>	<hr/>
At 31 July 1998	579,616	4,373	583,989
	<hr/>	<hr/>	<hr/>

Net book value of land and buildings at 31 July 1999 comprised:

	1999 £	1998 £
Investment properties	671,108	579,616
	<hr/>	<hr/>

8. DEBTORS

	1999 £	1998 £
Trade debtors	1,279	1,964
Other debtors	863	1,911
	<hr/>	<hr/>
	2,142	3,875
	<hr/>	<hr/>

BLUENOTCH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999 (CONT'D)

9. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1999 £	1998 £
Bank loans and overdrafts	20,000	20,000
Trade creditors	6,313	8,379
Corporation tax payable	21,350	29,234
Other creditors	20,498	18,885
	<u>68,161</u>	<u>76,498</u>

10. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	1999 £	1998 £
Bank loans	80,000	100,000
Other creditors	103,994	103,994
	<u>183,994</u>	<u>203,994</u>

	1999 £	1998 £
Repayable by instalments amounts falling due after five years	-	20,000
	<u>-</u>	<u>20,000</u>

The bank loan is secured against certain of the company's freehold properties and is being repaid in equal quarterly instalments of £5000 over a period of 10 years at an interest rate of 3% over the bank's base rate.

11. SHARE CAPITAL

	1999 £	1998 £
Authorised 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

12. OTHER RESERVES

Capital reserve at 1st August 1998 and 31st July 1999.	212,619
	<u>212,619</u>

13. TRANSACTIONS WITH DIRECTORS

For the whole of the year the company was under control of its directors.

BLUENOTCH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999 (CONT'D)

14. RELATED PARTIES

(a) Included in creditors (note 10) are directors' current accounts totalling £103,994, of which £58,809 was due to D.W.Dove Esq. and £45,185 was due to J.M.Rowlands Esq.

(b) The company paid secretarial fees of £6,000 to D.W.D.Property and Investment Company Limited which was under the control of D.W.Dove Esq., a shareholder and director.