

HARGREAVES PROPERTY INVESTMENTS LIMITED

REGISTERED NUMBER: 01997309

DIRECTORS REPORT AND ACCOUNTS

31 MARCH 1997

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# HARGREAVES PROPERTY INVESTMENTS LIMITED

## DIRECTORS REPORT

The directors submit their report and the accounts for the year ended 31 March 1997.

## STATEMENT OF 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 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,
- prepare accounts on the going concern basis unless it is inappropriate to presume 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 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.

## PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year was property investment.

There has been no significant change in the company's activities during the year, and the directors are satisfied with the company's trading during the year.

## DIVIDENDS AND APPROPRIATIONS

The directors are unable to recommend the payment of a dividend, leaving £779 to be withdrawn from reserves.

## DIRECTORS

The directors of the company, and the number of shares in which they had an interest, were:

	Ordinary shares of £1 each	
	31 March 1997	1 April 1996
N. H. Andrew	-	-
Mrs. R. Andrew	-	-

## FIXED ASSETS

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

HARGREAVES PROPERTY INVESTMENTS LIMITED

DIRECTORS REPORT

AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Moores Rowland as auditors.

On behalf of the board

N.H. Andrew  
Director



16<sup>th</sup> January 1998

AUDITORS REPORT TO THE MEMBERS OF  
HARGREAVES PROPERTY INVESTMENTS LIMITED

We have audited the accounts on pages 4 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of 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

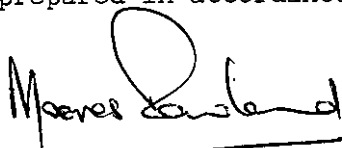
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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.

QUALIFIED OPINION ARISING FROM THE NON-COMPLIANCE WITH STATEMENT OF STANDARD ACCOUNTING PRACTICE NUMBER 19

As disclosed in note 1 and for the reasons disclosed therein the company has not revalued its investment properties. This is not in accordance with Statement of Standard Accounting Practice Number 19 which states that investment properties should be revalued and included in the balance sheet at their open market value. We are unable to quantify the effects of this departure.

Except for the effects of not revaluing the investment properties, in our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1997 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MOORES ROWLAND  
Chartered Accountants  
Registered Auditors

BRIGHTON

20 January 1998

# HARGREAVES PROPERTY INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 1997

	Note	1997 £	1996 £
NET INCOME FROM INVESTMENT PROPERTIES	2	—	—
Administrative expenses		<u>(779)</u>	<u>(782)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(779)	(782)
Tax on loss on ordinary activities	4	<u>—</u>	<u>—</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(779)	(782)
Deficit at 31 March 1996		<u>(2,891)</u>	<u>(2,109)</u>
DEFICIT AT 31 MARCH 1997		<u><u>(3,670)</u></u>	<u><u>(2,891)</u></u>

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the results for the year.

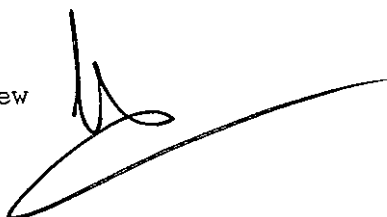
# HARGREAVES PROPERTY INVESTMENTS LIMITED

## BALANCE SHEET 31 March 1997

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	5	27,183	27,183
<b>CURRENT ASSETS</b>			
		<u>          </u>	<u>          </u>
CREDITORS - amounts falling due within one year	6	(2,983)	(2,204)
NET CURRENT LIABILITIES		(2,983)	(2,204)
		<u>24,200</u>	<u>24,979</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	27,870	27,870
Profit and loss account		(3,670)	(2,891)
Shareholders funds	8	<u>24,200</u>	<u>24,979</u>

Approved by the board on *16<sup>th</sup> January* 1998  
and signed on its behalf by:

N.H. Andrew  
Director



# HARGREAVES PROPERTY INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 1997

### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

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

The annual accounts are prepared on the going concern basis as the parent company has agreed to continue to support the company so as to enable it to meet its liabilities as they fall due.

#### GROSS RENTAL INCOME

Gross rental income represents the amount receivable by the company exclusive of bad debts.

#### DEFERRED TAXATION

Deferred taxation is calculated by the liability method and provision is made to the extent that it is probable a liability will crystallise.

#### INVESTMENT PROPERTIES

Investment properties are shown in the balance sheet at cost, but each property is valued annually by the directors who are of the opinion that the values of these properties are in excess of the book cost. This policy is not in accordance with Statement of Standard Accounting Practice No. 19, which requires investment properties to be valued at open market value.

### 2 NET INCOME FROM INVESTMENT PROPERTIES

	1997	1996
	£	£
Gross rental income	81,315	81,315
Ground rents	81,315	81,315
Insurance	—	—
Repairs and maintenance	—	—
	<u>(81,315)</u>	<u>(81,315)</u>
	<u>—</u>	<u>—</u>

### 3 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and loss on ordinary activities are attributable to the principal activity of the company.

Loss on ordinary activities is stated after charging:

	1997	1996
	£	£
Auditors remuneration	<u>294</u>	<u>294</u>

# HARGREAVES PROPERTY INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 1997

### 4 TAX ON LOSS ON ORDINARY ACTIVITIES

No corporation tax charge arises on the results for the year.

### 5 TANGIBLE FIXED ASSETS

	Freehold investment properties £	Leasehold investment properties £	Total £
Cost			
At 1 April 1996 and 31 March 1997	<u>1,200</u>	<u>25,983</u>	<u>27,183</u>
Net book value			
At 31 March 1997	<u>1,200</u>	<u>25,983</u>	<u>27,183</u>
At 31 March 1996	<u>1,200</u>	<u>25,983</u>	<u>27,183</u>

The freehold investment property has been used as security for borrowings of Vanstian Limited, which has a long leasehold interest in the property.

6 CREDITORS - amounts falling due within one year	1997 £	1996 £
Other creditors	2,689	1,675
Accruals and deferred income	294	529
	<u>2,983</u>	<u>2,204</u>

### 7 SHARE CAPITAL

	1997 £	1996 £
Authorised:		
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted and fully paid:		
27,870 Ordinary shares of £1 each	<u>27,870</u>	<u>27,870</u>



# HARGREAVES PROPERTY INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 1997

### 8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997	1996
	£	£
Loss on ordinary activities after taxation	(779)	(782)
Opening shareholders funds	24,979	25,761
Closing shareholders funds	<u>24,200</u>	<u>24,979</u>

### 9 DISCLOSURE OF CONTROL

The directors consider that the ultimate parent company is Ricotte Investments Limited, a company incorporated in Jersey C.I..

### 10 RELATED PARTY TRANSACTIONS

During the year the company received ground rents of £81,315 from Hargreaves Properties Limited, a company of which N.H. Andrew and Mrs. R. Andrew are also directors.