

PEMBRIDGE PROPERTIES LTD

FINANCIAL STATEMENTS

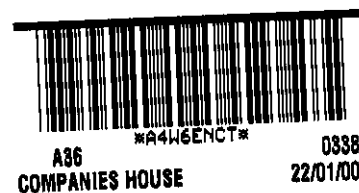
31 MARCH 1999

Registered number: 3235311

EDWARDS & KEEPING

CHARTERED ACCOUNTANTS

Dorchester



PEMBRIDGE PROPERTIES LTD

FINANCIAL STATEMENTS

for the Year ended 31 March 1999

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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COMPANY INFORMATION

31 March 1999

INCORPORATED	In England on 8 August 1996
NUMBER	3235311
DIRECTORS	T M Buxton F H Buxton - resigned 20 March 1998 A J Sater R M Sater - resigned 20 March 1998
SECRETARY	E N Buxton
REGISTERED OFFICE	57 Ovington Street London SW3 2JA
BANKERS	Barclays Bank PLC 20 High Exeter Street Exeter EX4 3LL
AUDITORS	Edwards & Keeping Chartered Accountants Unity Chambers 34 High East Street Dorchester Dorset DT1 1HA

## PEMBRIDGE PROPERTIES LTD

## DIRECTORS' REPORT

31 March 1999

The directors present their report and the audited financial statements for the Year ended 31 March 1999.

**Principal activity**

The principal activity of the company is property trading. The previous year accounts incorrectly classified the company's activities.

**Directors**

The directors of the company during the Year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31 March 1999 Ordinary shares	1 April 1998 Ordinary shares
T M Buxton	60,000	50,000
F H Buxton - resigned 20 March 1998	-	-
A J Sater	40,000	50,000
R M Sater - resigned 20 March 1998	-	-

On the 9th April 1999 A J Sater sold her entire shareholding to T M Buxton and resigned as director.

**Auditors**

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary, Edwards and Keeping will continue in office.

**Small company exemptions**

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

On behalf of the board



E N Buxton  
Secretary

57 Ovington Street  
London  
SW3 2JA

## PEMBRIDGE PROPERTIES LTD

## 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 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.

On behalf of the board



T M Buxton  
Director

## PEMBRIDGE PROPERTIES LTD

## AUDITORS' REPORT

## Auditors' report to the members of

## Pembridge Properties Ltd

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. 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 as at 31 March 1999 and of its profit for the Year then ended and have been properly prepared in accordance with the Companies Act 1985.

Edwards & Keeping

Dorchester

Edwards & Keeping  
Registered Auditors  
Chartered Accountants

20th January 2000

## PEMBRIDGE PROPERTIES LTD

## PROFIT AND LOSS ACCOUNT

for the Year ended 31 March 1999

	Note	1999 £	1998 £
Turnover	2	417,180	230,754
Cost of sales		(381,761)	(151,749)
Gross profit		35,419	79,005
Net operating expenses			
Administrative expenses		(19,347)	(41,163)
Other operating charges		(10,009)	(11,717)
Other operating income		79,547	73,466
Operating profit	3	85,610	99,591
Interest payable		(36,070)	(18,131)
Profit on ordinary activities before taxation		49,540	81,460
Taxation	5	(10,173)	(17,313)
Profit on ordinary activities after taxation		39,367	64,147
retained for the Year	11		

Movements in reserves are shown in note 11.

## PEMBRIDGE PROPERTIES LTD

## BALANCE SHEET


at 31 March 1999

	Note	1999 £	1998 £
<b>Current assets</b>			
Stocks	6	735,598	675,564
Debtors	7	8,970	2,707
Cash at bank and in hand		200,677	254,966
		<u>945,245</u>	<u>933,237</u>
Creditors: amounts falling due within one year	8	(151,166)	(182,296)
<b>Net current assets</b>		<u>794,079</u>	<u>750,941</u>
<b>Total assets less current liabilities</b>		<u>794,079</u>	<u>750,941</u>
Creditors: amounts falling due after more than one year	9	(587,759)	(583,988)
		<u>206,320</u>	<u>166,953</u>
<b>Capital and reserves</b>			
Called up share capital	10	100,000	100,000
Profit and loss account	11	106,320	66,953
<b>Total shareholders' funds</b>		<u>206,320</u>	<u>166,953</u>

These 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 March 1999).

The financial statements on pages 5 to 11 were approved by the board of directors on: 18 January 2000

and signed on its behalf by:

  
T M Buxton  
Director



## PEMBRIDGE PROPERTIES LTD

## NOTES ON FINANCIAL STATEMENTS

31 March 1999

## 1 Accounting policies

**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

**Turnover**

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

**Stocks**

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

**Change of Accounting Policy**

The accounts for the year to 31 March 1998 showed the properties held by the business as investment properties. This policy is not appropriate and the assets have been reclassified as trading stocks. The previous year comparatives have been amended accordingly.

## 2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1998 nil).

## 3 Operating profit

	1999 £	1998 £
Operating profit is stated after crediting:		
Rent receivable	72,009	65,280
Interest receivable	7,538	8,186
	<u>          </u>	<u>          </u>
and after charging:		
Audit & accountancy	4,249	6,525
	<u>          </u>	<u>          </u>

## 4 Directors

	1999 £	1998 £
Directors' emoluments	-	17,500
	<u>          </u>	<u>          </u>

## PEMBRIDGE PROPERTIES LTD

## NOTES ON FINANCIAL STATEMENTS

31 March 1999

## 5 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 21% (1998 21%)	10,403	17,313
Over provision in earlier years	(230)	-
	<u>10,173</u>	<u>17,313</u>

## 6 Stocks

	1999 £	1998 £
Stocks of properties for resale	<u>735,598</u>	<u>675,564</u>

## 7 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	1,402	437
Other debtors	7,568	2,270
	<u>8,970</u>	<u>2,707</u>

## 8 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	12,135	7,472
Trade creditors	13,450	110
Corporation tax	10,403	17,363
Other taxation and social security	-	8,750
Other creditors	115,178	148,601
	<u>151,166</u>	<u>182,296</u>

## PEMBRIDGE PROPERTIES LTD

## NOTES ON FINANCIAL STATEMENTS

31 March 1999

## 9 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Bank loans	417,759	298,494
Other creditors	170,000	285,494
	<u>587,759</u>	<u>583,988</u>
Creditors other than finance lease and hire purchase contracts		
Amounts falling due after more than five years	<u>530,024</u>	<u>530,061</u>

The bank loan is secured by a Fixed and Floating Charge over all of the Company's assets. It is also secured by First Legal Charges held over various freehold and long leasehold properties classified as stock by the company. There is also a Joint and Several Guarantee, limited to £50,000, by F H Buxton and R M Sater, (former directors) and A J Sater and T M Buxton (directors).

During the year the loan provider released a final retention of £131,400 on the satisfactory completion of building works.

Included in other creditors is a loan from T M Buxton (director) of £170,000 (1998 £170,000). This is an interest free loan which is due to be repaid in full on the 18th November 2006.

## 10 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary Shares of £1 each	100,000	100,000	100,000	100,000
8% Preference Shares of £1	100,000	100,000	100,000	100,000
	<u>200,000</u>		<u>200,000</u>	
Allotted, called up and fully paid				
Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The Preference shares (nil in issue) are redeemable, convertible non-cumulative shares carrying a non-cumulative dividend of 8% in preference to the dividend rights of ordinary shares. The shares are redeemable at the company's option until 31 December 2002, or convertible to ordinary shares thereafter.

## PEMBRIDGE PROPERTIES LTD

## NOTES ON FINANCIAL STATEMENTS

31 March 1999

## 11 Profit and loss account

	1999 £
1 April 1998	66,953
Retained profit for the Year	39,367
	<hr/>
31 March 1999	106,320
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## 12 Post balance sheet events

On the 9th April 1999 Mrs A J Sater sold her entire shareholding to Mr T M Buxton and resigned as director, leaving Mr T M Buxton sole shareholder and director.

Mr T M Buxton personally indemnified all the former directors of the company and became the sole guarantor of the £50,000 Guarantee described in Note 9 to the Accounts.

Since the year end the company has entered into the following transactions:

Completed the purchase of a property (36 Diana Road) on 22.7.99 for £68,500, plus stamp duty and legal costs;

Completed the purchase of a property (12 Bemstead Road) on 23.7.99 for £61,995 plus stamp duty and legal costs;

Sold a property (36 Diana Road) on 3.9.99 for £74,000;

Sold a property (12 Bemstead Road) on 3.9.99 for £76,500;

Sold a property (126A Blythe Road) on 10.9.99 for £130,000. This was one of the properties used as security for the bank loan. The company had borrowed 70% of the purchase price and this was repaid and the charge relating to the property was released accordingly.

These transactions have given rise to a tax liability of approximately £12,000.

## 13 Ultimate parent undertaking

The company is controlled by Mr T M Buxton by virtue of his 60% holding of the Ordinary Shares in issue, rising to 100% post year end.

## PEMBRIDGE PROPERTIES LTD

## NOTES ON FINANCIAL STATEMENTS

31 March 1999

## 14 Related parties

During the year the company paid £12661 to Control Promotions Ltd, a company owned by Mr R M Sater (former director) and Mrs A J Sater (director) for the provision of accountancy and secretarial services.

At the beginning of the year the company owed £50,000 (included in other creditors due after more than one year) to a pension fund of which Mr R M Sater (former director) is a beneficiary. During the year a further £70,000 was advanced. The loan was secured by the Joint and Several personal guarantees of T M Buxton and A J Sater (directors). The loan was repaid in full before the year end and the interest due on the loan (£12,843.97) was paid after the year end and is included in trade creditors (see Note 9).

During the year the company owed the following amounts to it's directors:

	A.J.Sater £	T.M.Buxton £	Total £
Balance brought forward 1.4.98	65,494	266,419	331,913
Repaid during the year	(65,494)	(9,791)	(75,285)
Balance carried forward 31.3.99	-	256,628	256,628

T M Buxton's loan is analysed as follows:

Other Creditors - amounts falling due within one year	86,628	(see Note 9)
Other Creditors - amounts falling due after one year	170,000	(see Note 10)
	<u>256,628</u>	