

**ROADSIDE PROPERTIES LIMITED**

**Report and Financial Statements**

**30 September 2005**



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02/12/2005

**ROADSIDE PROPERTIES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS 2004**

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# **ROADSIDE PROPERTIES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005 OFFICERS AND PROFESSIONAL ADVISERS**

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### **DIRECTORS**

T Smith  
Mrs J Smith  
B Barnett

### **SECRETARY**

B Barnett

### **REGISTERED OFFICE**

13 Appleton Court  
Calder Park  
Wakefield  
WF2 7AR

### **BANKERS**

Barclays Bank plc  
29 East Parade  
Leeds  
LS1 5TW

### **SOLICITORS**

Addleshaw Goddard  
Sovereign House  
PO Box 8  
Sovereign Street  
Leeds  
LS1 1HQ

### **AUDITORS**

Saffery Champness  
Sovereign House  
6 Windsor Court  
Clarence Drive  
Harrogate HG1 2PE

# ROADSIDE PROPERTIES LIMITED

## DIRECTORS' REPORT

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The directors present their report and the audited financial statements for the year ended 30 September 2005.

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985.

### ACTIVITIES

The company's principal activities are property investment, development and management and the provision of property services. Increasingly, the company's activities are becoming more focussed upon development.

### REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results of the year are as shown in the profit and loss account on page 5.

The directors are satisfied with the trading performance of the company in the period and its future prospects.

### DIVIDENDS

No dividends are proposed (2004: £nil). The retained profit of £136,674 (2004: £318,113) has been transferred to reserves.

### DIRECTORS AND THEIR INTERESTS

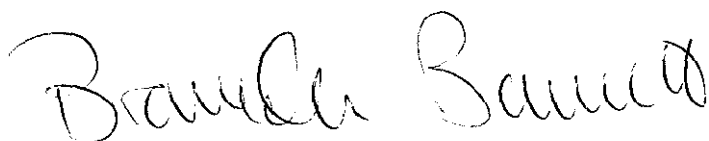
The directors who served during the period, together with their interests in the share capital of the company, are as follows:

	'A' Ordinary shares of £1 each	
	30 September 2005	30 September 2004
T Smith	1,999	1,999
Mrs J Smith	1	1
B Barnett	-	-

### AUDITORS

A resolution to re-appoint Saffery Champness as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



B Barnett

Secretary

25 November 2005

## **ROADSIDE PROPERTIES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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.

# ROADSIDE PROPERTIES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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We have audited the financial statements on pages 5 to 11. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the statement of directors' responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 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 affairs of the company as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants  
Registered Auditors  
Sovereign House  
6 Windsor Court  
Clarence Drive  
Harrogate HG1 2PE

*Saffron Chappin* 25. 11. 05.

# ROADSIDE PROPERTIES LIMITED

## PROFIT & LOSS ACCOUNT 30 SEPTEMBER 2005

	Note	2005 £	2004 £
<b>TURNOVER: continuing operations</b>	2	365,047	403,852
Cost of sales		(7,453)	(7,136)
Gross profit		357,594	396,716
Administrative expenses	(147,707)	(111,360)	
Other operating income	-	18,980	
		(147,707)	(92,380)
<b>OPERATING PROFIT: continuing operations</b>	4	209,887	304,336
Profit on sale of investment properties		-	204,459
Interest receivable	33,977	8,442	
Interest payable and similar charges	(71,103)	(84,124)	
		(37,126)	(75,682)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		172,761	433,113
Tax on profit on ordinary activities	5	(36,087)	(115,000)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD</b>		136,674	318,113

## STATEMENT OF TOTAL RECOGNISED GAINS

	2005 £	2004 £
Profit for the period	136,674	318,113
Unrealised surplus arising on revaluation of properties	240,000	981,807
Surplus released from revaluation reserve on sale of properties	-	366,396
Total recognised gains for the period	376,674	1,666,316

# ROADSIDE PROPERTIES LIMITED

## BALANCE SHEET 30 SEPTEMBER 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	6	2,986,651	3,613,824
<b>CURRENT ASSETS</b>			
Investment properties	7	895,000	-
Debtors	8	6,035	5,590
Cash at bank and in hand		564,593	696,830
		<u>1,465,628</u>	<u>702,420</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(181,421)</u>	<u>(373,484)</u>
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<u>1,284,207</u>	<u>328,936</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,270,858	3,942,760
<b>CREDITORS: amounts falling due after more than one year</b>			
Bank loan	10	(1,015,000)	(1,063,576)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	<u>(35,050)</u>	<u>(35,050)</u>
		<u>3,220,808</u>	<u>2,844,134</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2,000	2,000
Investment revaluation reserve	15	1,926,137	1,686,137
Profit and loss account	15	1,292,671	1,155,997
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>3,220,808</u>	<u>2,844,134</u>

These accounts have been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on 25 November 2005

Signed on behalf of the Board of Directors

T Smith  
Director





# ROADSIDE PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2005

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### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### **Accounting convention**

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

#### **Tangible fixed assets**

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

Fixtures and fittings	20% per annum
Motor Vehicles	20% per annum

#### **Stocks**

Stocks consist of properties held for and under development and are stated at the lower of cost and net realisable value. Cost represents expenses incurred in the development of properties less any foreseeable losses.

#### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Investment properties**

In accordance with Statement of Standard Accounting Practice No 19, investment properties are revalued regularly and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial period would have been reduced by depreciation. However the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### **Operating leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

# ROADSIDE PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2005

### 2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the company's principal activity.

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2005 £	2004 £
<b>Directors' remuneration</b>		
Emoluments	85,090	41,126
Fees	13,467	1,500
	<u>98,557</u>	<u>42,626</u>

### 4. OPERATING PROFIT

	2005 £	2004 £
<b>Operating profit is after charging:</b>		
Depreciation and amortisation		
Owned assets	12,797	1,416
(Loss)/Profit on disposal of fixed assets	(170)	204,459
Rentals under operating leases		
Land and buildings	2,660	7,136
Motor vehicles	-	2,664
Auditors' remuneration		
Audit fees	2,100	2,000
Other fees	-	3,000
	<u>          </u>	<u>          </u>

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £	2004 £
United Kingdom corporation tax based on the profit for the year	34,141	115,000
Under provision from previous year	1,946	-
	<u>36,087</u>	<u>115,000</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2004 - 30%). The actual tax charge varies from the standard rate due to the reasons set out in the following reconciliation.

	2005 £	2004 £
Profit on ordinary activities before tax	<u>172,761</u>	<u>433,113</u>

# ROADSIDE PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2005

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (cont)	2005 £	2004 £
Expected tax charge	32,825	129,939
<b>Factors affecting change:</b>		
Depreciation in excess of Capital allowances	1,316	-
Net disallowable income and expenses	-	-
Indexation & use of original cost base in Capital Gains tax calculation	-	(14,939)
	<u>34,141</u>	<u>115,000</u>

### 6. TANGIBLE FIXED ASSETS

	Investment properties £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 October 2004	3,572,758	42,482	619	3,615,859
Additions	14,000	28,707	7,587	50,294
Disposal	-	(10,004)	(619)	(10,623)
Transfer to current assets	(655,000)	-	-	(655,000)
At 30 September 2005	<u>2,931,758</u>	<u>61,185</u>	<u>7,587</u>	<u>3,000,530</u>
<b>Accumulated depreciation</b>				
At 1 October 2004	-	1,416	619	2,035
Charge for the period	-	11,280	1,517	12,797
Disposal	-	(334)	(619)	(953)
At 30 September 2005	<u>-</u>	<u>12,362</u>	<u>1,517</u>	<u>13,879</u>
<b>Net book value</b>				
At 30 September 2005	<u>2,931,758</u>	<u>48,823</u>	<u>6,070</u>	<u>2,986,651</u>
At 30 September 2004	<u>3,572,758</u>	<u>41,066</u>	<u>-</u>	<u>3,613,824</u>

The directors consider the valuation of the properties at 30 September 2005 to reflect their value on an open market basis. The historical cost was £2,266,535.

A tenant has been granted options over individual properties to acquire them at market value. These options are exercisable before May 2009.

### 7. INVESTMENT PROPERTIES

	2005 £	2004 £
Transfer from fixed assets	655,000	-
Revaluation	240,000	-
	<u>895,000</u>	<u>-</u>

The valuation was carried out on 29 September 2005 by Eddisons Commercial, Chartered Surveyors, to reflect their value on an open market basis. The historical cost was £500,080.

# ROADSIDE PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2005

### 8. DEBTORS

	2005 £	2004 £
Other debtors	6,035	5,590
	<u>6,035</u>	<u>5,590</u>

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank loan (secured)	116,000	125,240
Trade creditors	-	3,155
Current corporation tax	34,141	115,000
Other taxes and social security	19,531	15,633
Other creditors	-	5,000
Accruals and deferred income	11,749	109,456
	<u>181,421</u>	<u>373,484</u>

### 10. BANK LOAN

	2005 £	2004 £
Bank loan (secured)	1,131,000	1,188,816
Less: Included in bank loan due within one year	(116,000)	(125,240)
	<u>1,015,000</u>	<u>1,063,576</u>
Amounts falling due after more than one year		
Analysis of loan repayments:		
Bank loan		
Within one year or on demand	116,000	125,240
Between one and two years	116,000	125,240
Between two and five years	348,000	375,720
After five years	435,000	562,436
	<u>1,015,000</u>	<u>1,188,816</u>

The loan is secured by a Debenture and commercial mortgages over certain of the company's interests in investment properties.

The bank loan is repayable in equal instalments over the term of the loan. Interest is charged at 1.5% over Barclays Bank base rate.

### 11. PROVISIONS FOR LIABILITIES AND CHARGES

The deferred tax provision arising on the revaluation gain carried in these accounts is £35,050 (see note 15).

The company's freehold properties have been revalued in accordance with SSAP 19, Investment Properties. It is the company's intention to trade the property portfolio and to undertake trading activities with the disposal proceeds of the portfolio.

# ROADSIDE PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2005

### 12. CALLED UP SHARE CAPITAL

	2005 £	2004 £
<b>Authorised</b>		
2,000 'A' ordinary shares of £1 each	2,000	2,000
<b>Called up, allotted and fully paid</b>		
2,000 'A' ordinary shares of £1 each	2,000	2,000

### 13. FINANCIAL COMMITMENTS

Operating lease commitments	Land and buildings 2005 £	Other 2005 £	Total 2005 £
Leases which expire:			
In two to five years	5,320	-	5,320
After five years	-	-	-
<b>Capital commitments</b>			£
Contracted for but not provided			-

### 14. ULTIMATE CONTROLLING PARTY

The immediate and ultimate controlling party is Mr T Smith.

### 15. RECONCILIATION OF MOVEMENT IN RESERVES AND TOTAL SHAREHOLDERS' FUNDS

	Profit and loss account £	Investment revaluation reserve £	Total shareholders' funds 2005 £
As at 1 October 2004	1,155,997	1,686,137	2,842,134
Profit attributable to the members of the company	136,674	-	136,674
Surplus on revaluation of investment properties	-	240,000	240,000
Closing shareholders funds at 30 September 2005	1,292,671	1,926,137	3,218,808

### 16. RELATED PARTY DISCLOSURES

During the year the company loaned Roadside Properties LLP, a Limited Liability Partnership under common control of the directors, £400,000. This amount was fully repaid in the year with interest of £23,683. Also the company paid £29,433 of expenses on behalf of Roadside Properties LLP, these were fully repaid in the year, consequently no amounts are due to or from Roadside Properties LLP at the year end.