

THE GILLINGHAM POTTERY, BRICK AND TILE COMPANY LIMITED
(INCORPORATED UNDER THE COMPANIES ACT 1862
IN ENGLAND No. 2687)

REPORT OF THE DIRECTORS
and
STATEMENT OF ACCOUNTS
5TH APRIL 2006

DIRECTORS

MR TIMOTHY TREVOR PRATT

MRS SUSAN MARY CARMICHAEL

ACCOUNTANTS

FLETCHER & PARTNERS
CHARTERED ACCOUNTANTS
SALISBURY



Notice is hereby given that the 2006 ANNUAL GENERAL MEETING of the Company will be held at the Company's Registered Office, THE SQUARE, GILLINGHAM on 21st August 2006 at 12.00 noon, for the election of Directors and the usual ordinary business.

12th July 2006
GILLINGHAM DORSET

T T PRATT
Secretary

NOTE

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote instead of him on a poll. A proxy need not also be a member of the Company.

THE GILLINGHAM POTTERY, BRICK AND TILE COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 5th April 2006.

PRINCIPAL ACTIVITY

The business of the company is investment and property development.

REVIEW OF BUSINESS

There was a profit on ordinary activities of £42,458 and after deducting a taxation charge of £11,652 there remained a balance of £30,806 to add to retained profits.

DIVIDEND

The directors recommend a final dividend of £35 per share.

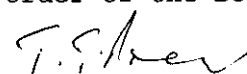
DIRECTORS

The directors who served during the year and their interests in the company's share capital were as follows :-

	<u>Fully Paid Ordinary £10 Shares</u>	
	<u>2006</u>	<u>2005</u>
Mr T T Pratt	5	-
Mr T T Pratt (as Trustee)	25	25
Mrs S M Carmichael	214	219

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

By Order of the Board



T T Pratt
Secretary

12th July 2006
Gillingham

ACCOUNTANTS' REPORT
TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
THE GILLINGHAM POTTERY, BRICK AND TILE COMPANY

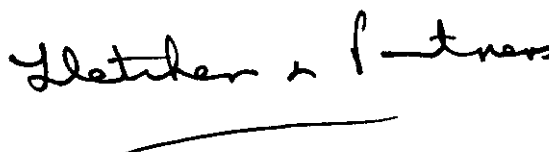
In accordance with the engagement letter dated 31st May 2006, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

The report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 5th April 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit in the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



12th July 2006
Salisbury

FLETCHER & PARTNERS
Chartered Accountants
and Registered Auditors

THE GILLINGHAM POTTERY, BRICK AND TILE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 5TH APRIL 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
TURNOVER	1c	61,874	56,775
Administrative Expenses		29,638	33,539
OPERATING PROFIT	2	32,236	23,236
Income from Fixed Asset Investments		9,394	9,008
Other Interest Receivable		3,204	2,557
Profit/(Loss) on Disposal of Fixed Assets		(2,992)	539
Appreciation/(Depreciation) in Investments	3	616	134
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		42,458	35,474
TAXATION	4	11,652	8,776
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>£30,806</u>	<u>£26,698</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 5TH APRIL 2006**

	<u>2006</u>	<u>2005</u>
Profit/(Loss) on Ordinary Activities after Taxation	30,806	26,698
Surplus on revaluation of Investment Properties	<u>1,527,459</u>	-
Total Recognised Gains/Losses	<u>£1,558,265</u>	<u>£26,698</u>

THE GILLINGHAM POTTERY, BRICK AND TILE COMPANY LIMITED

BALANCE SHEET AS AT 5TH APRIL 2006

	<u>Notes</u>	£	<u>2006</u>	£	£	<u>2005</u>	£
FIXED ASSETS							
Tangible Assets	6	1,750,300			222,841		
Investments	7	203,316			205,725		
				1,953,616			428,566
CURRENT ASSETS							
Debtors	8	20,170			22,382		
Cash at Bank		104,639			87,988		
				124,809			110,370
CREDITORS :							
Amounts falling due within one year	9	40,511			35,287		
NET CURRENT ASSETS/ (LIABILITIES)							
				84,298			75,083
TOTAL ASSETS LESS CURRENT LIABILITIES							
				<u>£2,037,914</u>			<u>£503,649</u>
CAPITAL AND RESERVES							
Called up Share Capital	10		8,000			8,000	
Profit and Loss Account	11		502,455			495,649	
Revaluation Reserve	11		1,527,459			-	
				<u>£2,037,914</u>			<u>£503,649</u>

The directors are satisfied that the company is entitled to exemption under section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249(B)(2) of the Act.

The directors acknowledge their responsibilities for:

- i. ensuring that the company keeps proper accounting records which comply with section 221 of the Companies Act 1985, 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 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts 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 (effective January 2005).

Approved by the Board on 12th July 2006
and signed on its behalf by

S. M. Carmichael

..... Mrs S M Carmichael Director

The notes on pages 5 to 7 form part of these accounts

THE GILLINGHAM POTTERY, BRICK AND TILE COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5TH APRIL 2006

1. **ACCOUNTING POLICIES**

a. Basis of Accounts

The accounts have been prepared under the historical cost convention.

b. Cash Flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 1 "Cash flow statements".

c. Turnover

The turnover is attributable to rental income.

d. Tangible Fixed Assets

In accordance with Statement of Standard Accounting Practice No.19 Investment Freehold Properties are included at open market value and depreciation is not provided.

e. Taxation

Provision has been made in the accounts for United Kingdom Corporation Tax on profits for the year.

f. Investments

These are valued at cost less provision for permanent diminution in value.

2. **OPERATING PROFIT**

The operating profit is stated after charging :

	<u>2006</u>	<u>2005</u>
Directors' Remuneration	<u>£4,500</u>	<u>£9,229</u>

3. **APPRECIATION/DEPRECIATION IN INVESTMENTS**

	<u>2006</u>	<u>2005</u>
Appreciation/(Depreciation) in Market Value of Investments written down below cost	<u>£ 616</u>	<u>£ 134</u>

4. **TAXATION**

	<u>2006</u>	<u>2005</u>
At 30% on profits for the year as adjusted for tax purposes	11,652	8,776
Prior Year Adjustment	-	-
	<u>£11,652</u>	<u>£8,776</u>

THE GILLINGHAM POTTERY, BRICK AND TILE COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5TH APRIL 2006

(continued)

5. **DIVIDENDS**

	<u>2006</u>	<u>2005</u>
Paid in the Year	<u>£24,000</u>	<u>£24,000</u>
Proposed	<u>£28,000</u>	<u>£24,000</u>

6. **TANGIBLE FIXED ASSETS**

Investment
Freehold Properties

At 6th April 2005	222,841
Surplus on Revaluation	<u>£1,527,459</u>

At 5th April 2006	<u>£1,750,300</u>
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Investment Freehold Properties were revalued by the directors at 5th April at their estimate of open market value. The historical cost is £222,841.

7. **INVESTMENTS**

Listed Investment

Cost at 6th April 2005	205,725
Additions	56,777
Appreciation of Investments written down below cost	616
Disposals	<u>(59,802)</u>
Cost at 5th April 2006	<u>£203,316</u>

The market value of the investments at 5th April 2006 was £257,159 (2005 - £213,278).

8. **DEBTORS**

	<u>2006</u>	<u>2005</u>
Trade Debtors	-	-
Other Debtors	<u>20,170</u>	<u>22,382</u>
	<u>£20,170</u>	<u>£22,382</u>

THE GILLINGHAM POTTERY, BRICK AND TILE COMPANY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2006
 (continued)

9. **CREDITORS : Amounts Falling Due Within One Year**

	<u>2006</u>	<u>2005</u>
Trade Creditors	6,725	6,725
Other Creditors	22,625	20,150
Corporation Tax	11,161	8,412
	<u>£40,511</u>	<u>£35,287</u>

10. **CALLED UP SHARE CAPITAL**

	<u>2006</u>	<u>2005</u>
Authorised 800 Ordinary Shares of £10 each	<u>£8,000</u>	<u>£8,000</u>
Allotted, Issued and Fully Paid 800 Ordinary Shares of £10 each	<u>£8,000</u>	<u>£8,000</u>

11. **RESERVES**

	<u>Profit and Loss Account</u>	<u>Revaluation Reserve</u>
At 6th April 2005	471,649	-
Prior Year Adjustment	24,000	
As restated	495,649	
Profit for the Year	30,806	
Surplus on revaluation of Investment Properties		1,527,459
Dividend paid	<u>(24,000)</u>	
At 5th April 2006	<u>£502,455</u>	<u>£1,527,459</u>