

JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITED

DIRECTORS' REPORT AND FINANCIAL ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 1987

BURGIS & BULLOCK
Chartered Accountants
11/13 Waterloo Place
Leamington Spa



JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITED

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YEAR ENDED

31 DECEMBER 1987

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JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITED

Directors

The Lord Guernsey
C A R Biddle

Secretary

A J Davies

Registered Office

St Philips House
St Philips Place
Birmingham
B3 2PP

Auditors

Burgis & Bullock
Chartered Accountants
11/13 Waterloo Place
Leamington Spa
CV32 5LB

Solicitors

Martineau Johnson
St Philips House
St Philips Place
Birmingham
B3 2PP

JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITEDREPORT OF THE DIRECTORS

The Directors present their report and audited Accounts for the year ended 31 December 1987.

1. Activities

The Company has not traded during the year.

2. Results and Dividends

The state of the Company's affairs is as set out in the Accounts on Pages 4 to 8.

The Directors do not recommend payment of a dividend for the year.

3. Fixed Assets

Details of fixed assets are given in Note 4 to the Accounts. In the opinion of the Directors, the market value of freehold land is not less than its book value.

4. Directors


The following have served as Directors throughout the year and their interests in the capital of the holding company are disclosed in the accounts of that company:-

The Lord Guernsey
C A R Biddle LL.B, F.R.S.A.

5. Auditors

Messrs Burgis and Bullock, Chartered Accountants, have signified their willingness to stand for re-appointment as auditors in accordance with Section 384 of the Companies Act 1985.

By Order of the Board


.....
A J Davies
Secretary

St Philips House
St Philips Place
Birmingham

Date ..1st JUNE 1988.....

REPORT OF THE AUDITORS
TO THE MEMBERS OF
JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITED

We have audited the Accounts on Pages 4 to 8 in accordance with approved Auditing Standards.

In our opinion the Accounts, which have been prepared under the historical cost convention, as modified by the revaluation of fixed assets, give a true and fair view of the state of affairs of the Company as at 31 December 1987 and of the Profit for the year then ended and comply with the Companies Act 1985.

B. J. - B. W.

Chartered Accountants

11/13 Waterloo Place
Leamington Spa

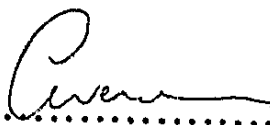
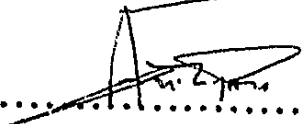
Date 1st JUNE 1988

JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 1987

	<u>Note</u>	<u>1987</u> £	<u>1986</u> £
Other Income	2	4600	-
Extraordinary Item	3	3411	(15840)
<u>Profit/(Loss) Transferred to Reserves</u>	7	<u>£1189</u> =====	<u>£(15840)</u> =====

JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITEDBALANCE SHEET AT 31 DECEMBER 1987

	<u>Notes</u>	<u>1987</u> £	<u>1986</u> £
<u>Fixed Assets</u>			
Tangible Assets	4	995000	995000
Investments	5	-	3411
		<u>995000</u>	<u>998411</u>
<u>Creditors: Amounts Falling Due</u> <u>Within One year</u>			
Amounts owed to Group Companies	5	(17890)	(6650)
Other Creditors		-	(15840)
		<u>£977110</u>	<u>£975921</u>
		=====	=====
<u>Capital and Reserves</u>			
<u>Called Up Share Capital</u>	6	53076	53076
<u>Reserves</u>	7	924034	922845
		<u>£977110</u>	<u>£975921</u>
		=====	=====


.....)
.....)

.....) Directors

..... 1st JUNE 1988 Date

JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31 DECEMBER 19871. Accounting Policiesa) Accounting Convention

The accounts are prepared under the historical cost convention, modified by the revaluation of fixed assets.

b) Depreciation

No depreciation is provided on freehold land.

c) Deferred Taxation

In accordance with Statement of Standard Accounting Practice No. 15, provision is made under the liability method for deferred taxation only where it is considered possible that such taxation will become payable within the foreseeable future, having regard to expected future trading conditions. Disposal of land used in the business of the group is not envisaged in the foreseeable future. If such disposals occurred the effect for corporation tax purposes would be as stated in Note 7 to the Accounts.

2. Other Income

	<u>1987</u> £	<u>1986</u> £
Group Dividend	411	-
Group Company Current Accounts Written Off	4189	-
	<u>£4600</u>	<u>£ -</u>
	=====	=====

3. Extraordinary Item

	<u>1987</u> £	<u>1986</u> £
Loss incurred in the settlement of a claim for damages against the company	-	15840
Investment in Subsidiary Written Off	3411	-
	<u>£3411</u>	<u>£15840</u>
	=====	=====

JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)FOR THE YEAR ENDED 31 DECEMBER 19874. Fixed Assets

	<u>Freehold Land</u>	<u>Total</u>
Valuation at 1 January 1987 and 31 December 1987	£995000 =====	£995000 =====
<u>Net Book Value</u>		
At 31 December 1987	£995000 =====	£995000 =====
At 31 December 1986	£995000 =====	£995000 =====

The comparable value of the Freehold Land if determined according to the historical cost convention would be £48884.

Fixed Assets are shown at the value placed upon them by a firm of Chartered Surveyors at 31st December 1986, and have been valued on the basis of fair market value.

5. Group Companies

	<u>1987</u> £	<u>1986</u> £
Amount owing to Ultimate Holding Company : Current Account	(17890)	(2050)
Amount owing to fellow Subsidiary Company : Current Account	-	(4600)
	£(17890) =====	£(6650) =====
<u>Subsidiary Company</u>		
Shares at Cost	5200	5200
Less : Amount Written Off	5200	1789
	£ - =====	£3411 =====

The Company owns all the shares in J Jackson & Sons (Bricks) Limited whose registered offices are in England.

J Jackson & Sons (Bricks) Limited has applied to the Registrar of Companies to be struck off the register and accordingly the investment in that company has been written off.

JACKSONS (WARWICKSHIRE) BRICKWORKS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)FOR THE YEAR ENDED 31 DECEMBER 19876. Share Capital

	<u>1987</u>		<u>1986</u>	
	<u>Authorised</u>	<u>Issued and Fully Paid</u>	<u>Authorised</u>	<u>Issued and Fully Paid</u>
	£	£	£	£
Ordinary Shares of 1p each	476	476	476	476
Deferred Ordinary Shares of £1 each	55524	52600	55524	52600
	<u>£56000</u>	<u>£53076</u>	<u>£56000</u>	<u>£53076</u>
	=====	=====	=====	=====

7. Reserves

	<u>Share Premium Account</u>	<u>Profit and Loss Account</u>	<u>Revaluation Reserve</u>	<u>Total</u>
	£	£	£	£
At 1 January 1987	15000	(38271)	946116	922845
Profit and Loss Account	-	1189	-	1189
	<u>£15000</u>	<u>£(37082)</u>	<u>£946116</u>	<u>£924034</u>
	=====	=====	=====	=====

8. Contingent Liabilities

Freehold Land is, generally, employed in the business of the Group and disposal of any material part of it outside the Group is not contemplated. If it were to be disposed of for a consideration equal to the value at which it is included in these Accounts, and deferment of the liability to corporation tax under the provisions of Sections 116/121 of the Capital Gains Tax Act 1979 could not be claimed, the liability to corporation tax at 35% would be approximately £187000.

There is a claim for damages against the Company, which is believed to be approximately £120000. The Directors are of the opinion that there is a good defence against this claim which will continue to be fully contested.

The Bank Overdraft and Loan Facilities of the Holding Company are secured on the land held by the Company.

9. Holding Company

The Holding Company is Packington Estate Enterprises Limited, a company incorporated in England.