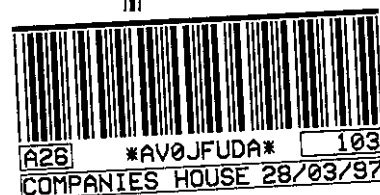


# **Marshdale Properties Limited**

**Accounts for the  
Year Ended  
31 December 1996**

**P G Bogle & Co  
Chartered Accountants  
Registered Auditors  
Ashberry House  
41 New Hall Lane  
Heaton  
BOLTON BL1 5LW**



Telephone: 01204 848703  
Fax: 01204 840243

**OFFICERS AND PROFESSIONAL ADVISERS:**

**DIRECTORS**

D Horrocks O.B.E.  
M I Horrocks

**SECRETARY**

D S Evans

**AUDITORS**

P G Bogle & Co  
Chartered Accountants  
Registered Auditors  
41 New Hall Lane  
Heaton  
BOLTON  
BL1 5LW

**BANKERS**

Yorkshire Bank plc  
37 Bradshawgate  
BOLTON  
BL1 1DS

**REGISTERED OFFICE**

18 Dalegarth Avenue  
Lostock  
BOLTON  
BL1 5DW

**REGISTERED NUMBER**

937445 England & Wales

## **REPORT OF THE DIRECTORS**

The Directors present their annual report and the accounts for the year ended 31 December 1996.

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company in the year under review was that of property investment.

The company's subsidiary company, Dewscope Limited, has as its main activities property investment and property development.

### **DIRECTORS**

The Directors who served during the year and the interests of those serving at the end of the year in the shares of the company were as follows:

|              | Ordinary Shares held at |                  |
|--------------|-------------------------|------------------|
|              | 31 December 1996        | 31 December 1995 |
| D Horrocks   | 1                       | 1                |
| M I Horrocks | 68                      | 68               |

### **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 of the company 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
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

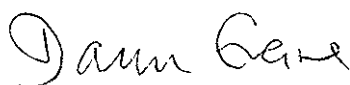
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITORS**

The auditors, P G Bogle & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

Signed on behalf of the  
board of directors



D S EVANS  
Secretary

Approved by the board : 18 February 1997

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
MARSHDALE PROPERTIES LIMITED**

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets ) and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 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 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.

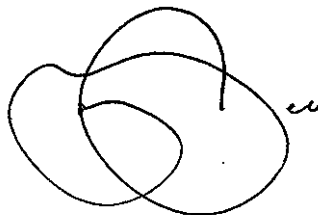
As indicated in Accounting Policies the investment properties shown in the Balance Sheet amounting to £398,600 have not been revalued at 31 December 1996. This represents a departure from Statement of Standard Accounting Practice No.19 which requires such property to be revalued at the end of each financial year.

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.

**OPINION**

In our opinion, the accounts give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

**P G Bogle & Co.**  
Chartered Accountants  
Registered Auditors  
Ashberry House  
41 New Hall Lane  
BOLTON  
BL1 5LW



18 February 1997

**PROFIT AND LOSS ACCOUNT - YEAR ENDED 31 DECEMBER 1996**

|                                 | Notes | 1996<br>£     | 1995<br>£     |
|---------------------------------|-------|---------------|---------------|
| Gross rental income             |       | 91336         | 90378         |
| Investment expenses             |       | <u>3154</u>   | <u>5521</u>   |
| Profit before taxation          |       | 88182         | 84857         |
| Taxation                        | 2     | <u>21383</u>  | <u>21214</u>  |
| Profit after taxation           |       | 66799         | 63643         |
| Dividends paid                  | 3     | <u>20000</u>  | <u>60000</u>  |
|                                 |       | 46799         | 3643          |
| Retained profit brought forward |       | <u>353576</u> | <u>349933</u> |
| Retained profit carried forward |       | <u>400375</u> | <u>353576</u> |

The company has no recognised gains and losses other than the profit and loss for the period.

**BALANCE SHEET - 31 DECEMBER 1996**

|   | Notes | 1996<br>£     | 1995<br>£     |
|---|-------|---------------|---------------|
| <b>FIXED ASSETS</b>                                       |       |               |               |
| Investment in subsidiary company                          | 4     | 100           | 100           |
| Investment properties                                     | 5     | 398600        | 398600        |
| <b>CURRENT ASSETS</b>                                     |       |               |               |
| Debtors   | 6     | 267854        | 226941        |
| Balance at bank   |       | 89            | -             |
|   |       | <u>267943</u> | <u>226941</u> |
| <b>CREDITORS: AMOUNTS FALLING DUE<br/>WITHIN ONE YEAR</b> |       |               |               |
|   | 7     | 21005         | 26802         |
| <b>NET CURRENT ASSETS</b>                                 |       |               |               |
|   |       | <u>246938</u> | <u>200139</u> |
| <b>TOTAL ASSETS LESS<br/>CURRENT LIABILITIES</b>          |       |               |               |
|   |       | <u>645638</u> | <u>598839</u> |
| <b>CAPITAL AND RESERVES</b>                               |       |               |               |
| Called up share capital                                   | 8     | 137           | 137           |
| Revaluation reserve                                       |       | 245126        | 245126        |
| Profit & Loss account                                     |       | 400375        | 353576        |
|   |       | <u>645638</u> | <u>598839</u> |

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Signed on behalf of the board of directors,

D Horrocks  
Director



Approved by the board : 18 February 1997

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1996

## 1. ACCOUNTING POLICIES

*Basis of Accounting*

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain investments.

*Consolidation*

The Company and its subsidiary comprise a small group. The Company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

*Deferred Taxation*

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

*Valuation of Investment Properties*

The investment properties were valued at open market valuation on 31 December 1988 by the then directors of the company. The open market valuations were appraised by the professional staff, who were members of the Royal Institute of Chartered Surveyors, of the previous holding company, Guardian Royal Exchange Assurance PLC.

The Directors consider that the cost of valuing the investment properties at 31 December 1996 far outweighs the benefits to be gained from such a valuation.

It is the policy of the group to deal with revaluation surpluses and deficits on investment properties on a portfolio basis rather than an individual property basis. The net unrealised surplus over book value is credited to the revaluation reserve.

In accordance with the Articles of Association profits and losses arising on property disposals are taken to reserves. Any deficiency on reserves is carried to the profit and loss account.

No depreciation is charged on investment property.

## 2. TAXATION

|  | 1996<br>£ | 1995<br>£ |
|--|-----------|-----------|
| United Kingdom taxation based on profits for the year:<br>Corporation Tax at 25% and 24% | 21383     | 21214     |

## 3. DIVIDENDS

|                            | 1996<br>£ | 1995<br>£ |
|----------------------------|-----------|-----------|
| On £1 Ordinary shares-paid | 20000     | 60000     |

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1996**

| <b>4. INVESTMENT IN SUBSIDIARY COMPANY</b> | <b>1996<br/>£</b> | <b>1995<br/>£</b> |
|--|-------------------|-------------------|
| Shares at cost                             | 100               | 100               |

The Company investment in its subsidiary company represents the cost of acquisition of the whole of the ordinary share capital of Dewscope Ltd, a company registered in England and Wales which is a property investment and property development company.

At 31 December 1996 the aggregate of the share capital and reserves of Dewscope Limited amounted to £467086 and the profit for the year to that date was £238505.

| <b>5 INVESTMENT PROPERTIES</b>                  | <b>1996<br/>£</b> | <b>1995<br/>£</b> |
|---|-------------------|-------------------|
| Freehold properties                             |                   |                   |
| Cost  | 153474            | 153474            |
| Surplus arising from revaluation in prior years | 245126            | 245126            |
|   | <u>398600</u>     | <u>398600</u>     |

| <b>6 DEBTORS</b>                    |               |               |
|-------------------------------------|---------------|---------------|
| Amounts due from subsidiary company | 266374        | 225425        |
| Prepayments and accrued income      | 1480          | 1516          |
|                                     | <u>267854</u> | <u>226941</u> |

| <b>7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> |              |              |
|---|--------------|--------------|
| Bank overdraft  | -            | 1038         |
| Corporation tax   | 16383        | 21214        |
| Accruals  | 4622         | 4550         |
|   | <u>21005</u> | <u>26802</u> |

| <b>8. CALLED UP SHARE CAPITAL</b> | <b>Authorised<br/>1996<br/>£</b> | <b>Allotted &amp;<br/>Fully Paid<br/>1996<br/>£</b> |
|-----------------------------------|----------------------------------|---|
| Ordinary shares of £1 each        | 200                              | 137   |

**9. AUDITORS' REMUNERATION**

The remuneration of the auditors amounted to £600 (1995 - £600)

**10. DIRECTORS' EMOLUMENTS**

The directors have received no remuneration or other emoluments for the year (1995 - Nil).