

# PROJECT PROPERTIES LIMITED

## REPORT OF THE DIRECTORS

Co. No. 1079428

The Directors present their report and the audited financial statements of the Company for the year ended 30 April 1995.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is the purchase and lease of commercial properties.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Profit and Loss Account for the year is set out on page 5.

Both the level of business and the year end financial position were satisfactory and the Directors expect that the level of activity will be sustained.

### DIVIDEND

The Directors do not recommend the payment of a dividend. The retained profit of £272955 is transferred to reserves.

### FIXED ASSETS

The movements in fixed assets are set out in note 5.

### DIRECTORS

The Directors in office during the year were:-

Mrs. A.M. Sutton  
A.M. Sutton  
Mrs. D.P. Broadhurst



The Company is a wholly owned subsidiary of Thomas Cradley Holdings Limited. The interests of the Directors in the share capital of the holding Company are shown in the accounts of that Company.

### 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

## PROJECT PROPERTIES LIMITED

### REPORT OF THE DIRECTORS - Continued

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#### STATEMENT OF DIRECTORS' RESPONSIBILITIES - Continued

- 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 safe-guarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution to reappoint the Auditors, Jackson, Stephen & Co, will be proposed at the annual general meeting.

By Order of the Board



G. Lightfoot

Secretary

17 October 1995

## AUDITORS' REPORT TO THE SHAREHOLDERS OF PROJECT PROPERTIES LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 1 and 2, 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 mis-statement, 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 the Company's affairs as at 30 April 1995 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Jackson, Stephen & Co.,  
Chartered Accountants,  
Registered Auditor.

Broseley House,  
116 Bradshawgate,  
LEIGH,  
Lancs. WN7 4NT

17 October 1995

PROJECT PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 April 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER		299294	1457836
Administrative expenses		<u>27612</u>	<u>59910</u>
OPERATING PROFIT		271682	1397926
Profits on the disposal of property		-	2024628
Interest receivable and similar income		<u>1764</u>	<u>1720</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	273446	3424274
Taxation	4	( <u>491</u> )	<u>358751</u>
RETAINED PROFIT FOR THE YEAR	10	£ <u>272955</u>	£ <u>3065523</u>

All amounts relate to continuing operations.

All recognised gains and losses are included in the Profit and Loss Account.

# PROJECT PROPERTIES LIMITED

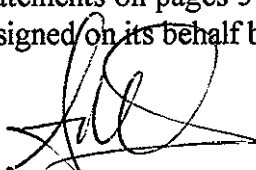
## BALANCE SHEET

30 April 1995

	Note	1995		1994	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		3103286		3115286
<b>CURRENT ASSETS</b>					
Debtors	6	6581561		6780708	
Cash at bank and in hand			<u>90</u>		<u>1488</u>
		6581651		6782196	
CREDITORS: Amounts falling due within one year	7	34402		520902	
NET CURRENT ASSETS			<u>6547249</u>		<u>6261294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9650535		9376580
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	8		<u>69000</u>		<u>68000</u>
NET ASSETS			<u>£ 9581535</u>		<u>£ 9308580</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		100		100
Profit and loss account	10		<u>9581435</u>		<u>9308480</u>
SHAREHOLDERS' FUNDS	11		<u>£ 9581535</u>		<u>£ 9308580</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 17 October 1995 and were signed on its behalf by:

A.M. Sutton  
Director



# PROJECT PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 1995

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### 1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

b) Turnover

Turnover represents the invoiced value of rents receivable. All turnover arises in respect of operating leases.

c) Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values over the expected useful economic lives of the assets as follows:-

Freehold Buildings	2% per annum (straight line basis)
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d) Deferred Taxation

Deferred taxation is accounted for in respect of all material timing differences which may materialise in the foreseeable future.

e) Cash Flow Statement

No cash flow statement has been presented as the Company is itself a wholly owned subsidiary.

### 2. DIRECTORS AND EMPLOYEES

The average weekly number of employees (including directors) employed by the Company during the year was:-

	<u>1995</u> Number	<u>1994</u> Number
Administration	3	3
	<hr/>	<hr/>
	<u>1995</u>	<u>1994</u>
Staff Costs	£ -	£ -
	<hr/>	<hr/>
Directors' emoluments	£ -	£ -
	<hr/>	<hr/>

# PROJECT PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - Continued

For the year ended 30 April 1995

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1995</u>	<u>1994</u>
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	£ 40667	£ 59000
Auditors' remuneration	£ 500	£ 500
	<u>          </u>	<u>          </u>

### 4. TAXATION

	<u>1995</u>	<u>1994</u>
U.K. Corporation Tax at 33%:		
On the result for the year	33000	520000
Overprovision in respect of prior years	( 33509)	( 15549)
Deferred taxation	<u>1000</u>	<u>( 145700)</u>
	£ 491	£ 358751
	<u>          </u>	<u>          </u>

### 5. TANGIBLE FIXED ASSETS

	<u>Freehold Land and Buildings</u>	<u>Long Leasehold Land and Buildings</u>	<u>Total</u>
	£	£	£
<b>COST</b>			
At 1 May 1994	4303240	2688	4305928
Additions	<u>28667</u>	<u>-</u>	<u>28667</u>
At 30 April 1995	4331907	2688	4334595
	<u>          </u>	<u>          </u>	<u>          </u>
<b>DEPRECIATION</b>			
At 1 May 1994	1189954	688	1190642
Charge for the year	<u>40667</u>	<u>-</u>	<u>40667</u>
At 30 April 1995	1230621	688	1231309
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET BOOK VALUES:</b>			
At 30 April 1995	£ 3101286	£ 2000	£ 3103286
	<u>          </u>	<u>          </u>	<u>          </u>
At 30 April 1994	£ 3113286	£ 2000	£ 3115286
	<u>          </u>	<u>          </u>	<u>          </u>

All the above assets are held for use in operating leases.

# PROJECT PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - Continued

For the year ended 30 April 1995

### 6. DEBTORS

	<u>1995</u>	<u>1994</u>
Amounts receivable within one year:		
Amounts owed by group companies	6565895	6757208
Other debtors	<u>15666</u>	<u>23500</u>
	<u>£ 6581561</u>	<u>£ 6780708</u>

Included in other debtors are amounts totalling £7833 which are receivable after more than one year (1994: £15667).

### 7. CREDITORS

	<u>1995</u>	<u>1994</u>
Amounts falling due within one year:		
Corporation tax	33000	520000
Accruals	<u>1402</u>	<u>902</u>
	<u>£ 34402</u>	<u>£ 520902</u>

### 8. DEFERRED TAXATION

	<u>£</u>
Provision at 1 May 1994	68000
Charge for year	<u>1000</u>
Provision at 30 April 1995	<u>£ 69000</u>

The whole of the provision relates to accelerated capital allowances.

### 9. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised, allotted, called up and fully paid		
100 Ordinary Shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

### 10. PROFIT AND LOSS ACCOUNT

	<u>1995</u>	<u>1994</u>
At 1 May 1994	9308480	6242957
Retained profit for the year	<u>272955</u>	<u>3065523</u>
At 30 April 1995	<u>£ 9581435</u>	<u>£ 9308480</u>



PROJECT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the year ended 30 April 1995

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11. RECONCILIATION OF MOVEMENT IN  
SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
Retained profit for the year	272955	3065523
Opening shareholders' funds	<u>9308580</u>	<u>6243057</u>
Closing shareholders' funds	£ 9581535	£ 9308580
	<u>          </u>	<u>          </u>

12. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Thomas Cradley Holdings Limited, a company registered in England.