

SILVERGRAD LIMITED

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REPORT AND ACCOUNTS
30TH SEPTEMBER, 1986

CHAPMAN & PARTNERS
Chartered Accountants
Albion House
34/35 Leadenhall Street
London EC3A 1AT



SILVERGRAD LIMITED

REPORT OF THE DIRECTOR

The director submits his report together with the audited accounts for the year ended 30th September, 1986.

PRINCIPAL ACTIVITY

The principal activity of the company is property management.

DIVIDENDS

The directors proposed the payment of £2,000 per ordinary share as a dividend for the year (1985: fnil).

DIRECTOR

Sir Reginald Shettfield, Bt., served as the sole director throughout the year and he has no interest in the shares of the company. The company is a wholly owned subsidiary of Aylestord Holdings Limited.

TAXATION STATUS

The close company provisions of the Income and Corporation Taxes Act 1970 apply to the company.

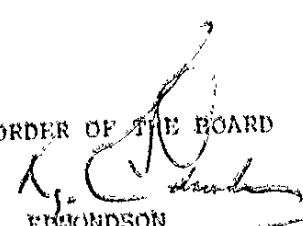
AUDITORS

The auditors, Chapman & Partners, have signified their willingness to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting.

Albion House
34/35 Leadenhall Street
London EC3A 1AT

18th February, 1987

BY ORDER OF THE BOARD


R.G. EDMONDSON
Secretary

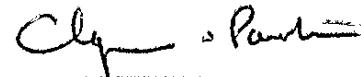
REPORT OF THE AUDITORS

TO THE MEMBERS OF SILVERGRAD LIMITED

We have audited the accounts set out on pages 3 to 6 in accordance with approved auditing standards.

No provision has been made in the accounts for depreciation of freehold buildings as required by statement of standard accounting practice number 12. In the absence of a division of the cost of freehold premises between land and buildings, and an estimate of the remaining useful life of the buildings, we cannot quantify the effect of the non-compliance with the standard.

Subject to the foregoing, in our opinion the accounts, which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, give a true and fair view of the state of affairs of the company at 30th September, 1986 and of its results and source and application of funds for the year then ended and comply with the Companies Act 1985.



Albion House
34/35 Leadenhall Street
London EC3A 1AT

CHAPMAN & PARTNERS

18th February, 1987

Chartered Accountants

SILVERGRAD LIMITED

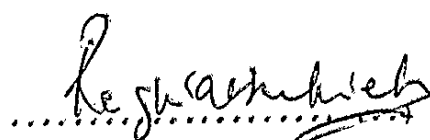
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH SEPTEMBER, 1986

	Notes	1986 £	1985 £
TURNOVER	1	25,000	34,024
Administrative costs		-	(1,996)
PROFIT BEFORE TAXATION		<u>25,000</u>	<u>32,028</u>
Taxation	2	(7,363)	(12,612)
PROFIT AFTER TAXATION		<u>17,637</u>	<u>19,416</u>
Extraordinary item	3	<u>51,301</u>	<u>142,805</u>
		68,938	162,221
Proposed dividend		(200,000)	-
		<u>(131,062)</u>	<u>162,221</u>
RETAINED PROFITS BROUGHT FORWARD		<u>195,221</u>	<u>33,000</u>
RETAINED PROFITS CARRIED FORWARD		<u>64,159</u>	<u>195,221</u>

SILVERGRAD LIMITED

BALANCE SHEET
30TH SEPTEMBER, 1986

	Notes	1986 £	1985 £
TANGIBLE FIXED ASSETS	4	302,000	302,000
INVESTMENTS	5	<u>1</u>	<u>1</u>
		302,001	302,001
CURRENT ASSETS			
Amount due from group companies		209,102	197,702
CREDITORS			
Amounts falling due within one year	6	<u>207,375</u>	<u>64,913</u>
NET CURRENT ASSETS		<u>1,727</u>	<u>132,789</u>
		303,728	434,790
CREDITORS			
Amounts falling due over one year:			
Deferred taxation		<u>70,000</u>	<u>70,000</u>
		<u>233,728</u>	<u>364,790</u>
SHARE CAPITAL	7	200	200
PROFIT AND LOSS ACCOUNT		64,159	195,221
REVALUATION RESERVE		<u>169,369</u>	<u>169,369</u>
		<u>233,728</u>	<u>364,790</u>

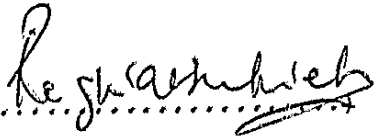
 DIRECTOR

Approved by the Board on 18th February, 1987

SILVERGRAD LIMITED

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30TH SEPTEMBER, 1986

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..... DIRECTOR

Approved by the Board on 18th February, 1987

SILVERGRAD LIMITED

SOURCE AND APPLICATION OF FUNDS
YEAR ENDED 30TH SEPTEMBER, 1986

	1986 £	1985 £
SOURCE OF FUNDS		
From operations:		
Profit on ordinary activities before taxation	25,000	32,028
Other sources:		
Sale of fixed assets	<u>-</u>	<u>335,459</u>
	25,000	367,487
APPLICATION OF FUNDS		
Corporation Tax paid	<u>(13,600)</u>	<u>(7,500)</u>
	<u>11,400</u>	<u>359,987</u>
REPRESENTED BY		
Decrease in amounts due to group companies	<u>11,400</u>	<u>359,987</u>

SILVERGRAD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH SEPTEMBER, 1986

1. TURNOVER

This represents rent charged to the occupiers of the properties owned by Silvergrad Limited.

2. TAXATION

	1986 £	1985 £
U.K. Corporation Tax at 29%/30% (on profits for the year (1985: 30%))	7,375	13,612
Prior year overprovision	(12)	(1,000)
	<u>7,363</u>	<u>12,612</u>

3. EXTRAORDINARY ITEM

This represents the write back of the tax provision on the sale of a freehold property in 1985. The Inland Revenue have indicated that the previous year's capital losses are now available for set off against the gain.

4. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Short leasehold property £	TOTAL £
30th September, 1986 and 1985	295,000	7,000	302,000

No provision has been made in the accounts for depreciation of freehold or leasehold buildings.

During 1985 the freehold land and buildings were revalued at £295,000 by D.E. & J. Levy, Chartered Surveyors. The valuation basis was on vacant possession.

Deferred taxation of £70,000 has been provided upon the revaluation.

5. INVESTMENTS

	£
Unlisted shares held in a company in liquidation at written down value at 30th September, 1986 and 30th September, 1985	<u>1</u>

6. CREDITORS

	1986 £	1985 £
Amounts falling due within one year:		
Corporation tax	7,375	64,913
Dividend payable	200,000	"
	<u>207,375</u>	<u>64,913</u>

7. SHARE CAPITAL

	£
Authorised, issued and fully paid:	
100 ordinary shares of £1 each	100
100 deferred shares of £1 each	<u>100</u>