

REGISTERED NUMBER:  
2223106(ENGLAND AND WALES)

SHADOWGRADE DEVELOPMENTS LIMITED  
ABBREVIATED STATUTORY ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 1997



SHADOWGRADE DEVELOPMENTS LIMITED

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## REPORT OF THE AUDITORS TO THE DIRECTORS OF

## SHADOWGRADE DEVELOPMENTS LIMITED

## UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the full statutory accounts of the company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the company is entitled to the exemptions as set out in the directors' statement on page 2 and the abbreviated statutory accounts have been properly prepared in accordance with schedule 8 to the Companies Act 1985.

On 18 July 1997 we reported to the members on the full statutory accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31 May 1997. Our report under Section 235 of the Companies Act 1985 was as follows:

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies on page 7.

## Respective responsibilities of directors and auditors

As described on page 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 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 financial statements.

No depreciation has been provided on freehold property, pending a revaluation, and in this respect the accounts do not comply with SSAP 12. Our opinion is not qualified in this respect.

## Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

REPORT OF THE AUDITORS TO THE DIRECTORS OF  
SHADOWGRADE DEVELOPMENTS LIMITED  
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985



NABARRO BRYANT  
Registered Auditors and  
Chartered Accountants

16a The Broadway  
Haywards Heath  
West Sussex RH16 3AL  
18 July 1997

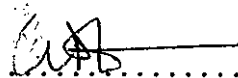
## SHADOWGRADE DEVELOPMENTS LIMITED

## ABBREVIATED BALANCE SHEET - 31 MAY 1997

	Notes	1997		1996	
	-----	-----	-----	-----	-----
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		1,040,567		1,005,477
CURRENT ASSETS					
Debtors		254,674		167,099	
Cash at bank and in hand		22,917		9	
		-----		-----	
		277,591		167,108	
CREDITORS: amounts falling due within one year		348,543		297,917	
		-----		-----	
NET CURRENT LIABILITIES			(70,952)		(130,809)
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			969,615		874,668
CREDITORS: amounts falling due after more than one year	3		600,000		660,614
			-----		-----
			£ 369,615		£ 214,054
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	4		1,000		1,000
Profit and loss account			368,615		213,054
			-----		-----
SHAREHOLDERS FUNDS			£ 369,615		£ 214,054
			=====		=====

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

Signed on behalf of the  
board of directors

..........  
G.D. Winn  
Director

Approved by the board: 18 July 1997

The notes on pages 3 to 5 form part of these abridged accounts.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MAY 1997

## 1 ACCOUNTING POLICIES

The principal accounting policies which are adopted in the preparation of the financial statements are set out below.

## Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention (as modified by the revaluation of certain assets) and incorporate the results of the principal activity which is described in the directors report and which is continuing.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

## Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

## Tangible fixed assets

Depreciation is provided at rates calculated to write off each asset over its estimated useful life. The principal annual rates in use are:

Freehold buildings	0%	on cost
Motor vehicles	25%	on reducing balance
Fixtures and fittings	15%	on reducing balance
Office equipment	15%	on reducing balance

No depreciation has been provided on freehold property, pending a revaluation in the next accounting period.

Rentals applicable to operating leases, where substantially all the benefit and risk of ownership remain with the lessor, are charged to the profit and loss account.

## 2 FIXED ASSETS

	Tangible assets
	-----
Cost or valuation	
At 31 May 1996	1,233,920
Additions	58,039
	-----
At 31 May 1997	1,291,959
	-----
Depreciation	
At 31 May 1996	228,443
Charge for the	22,949
	-----
At 31 May 1997	251,392
	-----
Net book value	
At 31 May 1997	1,040,567
	=====

## SHADOWGRADE DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MAY 1997

(continued)

At 31 May 1996

1,005,477

## 3 CREDITORS: amounts falling due after more than one year

	1997	1996
	-----	-----
	£	£
Bank loans	600,000	600,000
Long term loan	-	60,614
	-----	-----
	<u>£ 600,000</u>	<u>£ 660,614</u>

## 4 CALLED UP SHARE CAPITAL

	1997	1996
	-----	-----
	£	£
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

The company's ultimate parent company is Osprey Investments Ltd, a company incorporated in Guernsey.