

Company No.

2466102

Parkside Development Company Limited

Report and Financial Statements

31st March 1998



**Parkside Development Company Limited**

**Directors**

J.C. Botts  
A. Haining  
S.N. Trusty  
M.C.B. Mellish

**Secretary and Registered Office**

S.N. Trusty  
Tanyard Barns, Woodhill Lane, Shamley Green, Guildford GU5 0SP

**Auditors**

Moore Stephens  
Chartered Accountants  
Priory House, Sydenham Road, Guildford GU1 3RX

**Report of the Directors**

The directors present their report and audited financial statements for the year ended 31st March 1998.

**Review of Activities**

The principal activity of the company continued to be that of property developers.

The directors foresee no significant changes in the future activities of the company.

**Results and Dividends**

The loss for the financial year amounted to £1,499,443.

It is recommended that this amount is added to the deficit brought forward.

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

**Directors' Interests**

None of the directors had any interests in the equity share capital of the company at any time during the year.

Mr.J.C. Botts, Mr.A. Haining and Mr.S.N. Trusty are also directors of the parent company Balmuir Property Company Limited and details of their interests are shown in the report of the directors of that company for the year to 31st March 1998.

M.C.B. Mellish does not have any interest in the share capital of the parent company, Balmuir Property Company Limited.

**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 year. 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

Parkside Development Company Limited

Report of the Directors (continued)

Directors' Responsibilities (continued)

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

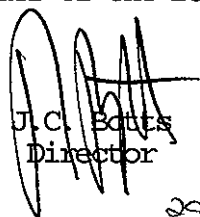
Year 2000

The directors have reviewed the risks associated with the Year 2000 problem, both with regard to internal use of computer systems and embedded chips and in connection with relationships with third parties. The total costs of ensuring Year 2000 compliance have been quantified, and are not significant.

Auditors

The auditors, Moore Stephens, are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

By Order of the Board

  
J.C. Edges  
Director

29<sup>th</sup> January 1999

**Report of the Auditors to the Shareholders of  
Parkside Development Company Limited**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on pages 1 and 2 the company's directors are responsible for the preparation of the 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.

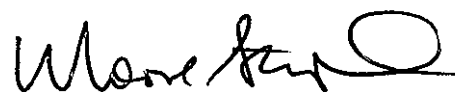
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Fundamental uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the value of the company's interest in development land. The company's interest in this development land is carried at directors' valuation and no independent valuation has been obtained. Details of the circumstances relating to this fundamental uncertainty are described in note 8. 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 31st March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Priory House,  
Sydenham Road,  
Guildford GU1 3RX

29<sup>th</sup> January 1999

MOORE STEPHENS  
Registered Auditor  
Chartered Accountants

## Parkside Development Company Limited

Profit and Loss Account  
For the year ended 31st March 1998

	Note	1998 Continuing Activities	1997
Turnover		210,000	163,500
Cost of sales		808,325	280,829
Gross loss		(598,325)	(117,329)
Other income			
Rent receivable		-	6,566
		(598,325)	(110,763)
Administrative expenses		(10,596)	(7,815)
Exceptional items	7	(285,024)	(151,344)
Operating loss	3	(893,945)	(269,922)
Interest receivable	4	155	1
Exceptional items	7	(605,481)	(566,591)
		(1,499,271)	(836,512)
Interest payable and similar charges	5	(172)	(527)
Tax on ordinary activities	6	-	-
Loss for the year		(1,499,443)	(837,039)
Deficit brought forward		(2,302,107)	(1,465,068)
Deficit carried forward		£(3,801,550)	£(2,302,107)

The company has no recognised gains or losses other than those reported in the profit and loss account.


There is no difference between the historical cost loss and the loss as stated above.

## Parkside Development Company Limited

## Balance Sheet - 31st March 1998

	Note	1998	1997
<b>Current Assets</b>			
Property in the course of development	8	195,000	1,219,133
Debtors - amounts falling due within one year	9	99,790	43,786
Debtors - amounts falling due after more than one year	10	6	395,228
Cash at bank and in hand		5,594	124
		<u>300,390</u>	<u>1,658,271</u>
Creditors, amounts falling due within one year	11	(976,664)	(835,102)
<b>Net Current Liabilities/Assets</b>		<b>(676,274)</b>	<b>823,169</b>
Creditors, amounts falling due after more than one year	12	(3,125,270)	(3,125,270)
<b>Net Liabilities</b>		<b><u>£(3,801,544)</u></b>	<b><u>£(2,302,101)</u></b>
<b>Capital and Reserves</b>			
Called up equity share capital	13	6	6
Profit and loss account		(3,801,550)	(2,302,107)
<b>Equity shareholders' funds</b>	<b>14</b>	<b><u>£(3,801,544)</u></b>	<b><u>£(2,302,101)</u></b>

These financial statements were approved by the Board on 27<sup>th</sup> January 1999 and signed on their behalf by:

  
J.C. Botts

Director

## Parkside Development Company Limited

## Financial Statements - 31st March 1998

## Notes

## 1. Principal Accounting Policies

## 1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

## 1.2 Turnover

Turnover represents the value of property transactions completed in the year.

## 1.3 Properties in the course of development

Properties held for development and resale are stated at the lower of cost and net realisable value. Cost represents the expenditure incurred in acquiring and developing properties.

## 2. Going concern

The company is dependent upon the continued availability of finance from its parent company in order to continue as a going concern. The directors are satisfied that such finance will continue to be available to the company for the foreseeable future.

## 3. Operating loss

1998

1997

Operating loss is stated after charging:

Auditors' remuneration

£ 2,931 £ 2,023

## 4. Interest receivable

1998

1997

Bank interest

£ 155 £ 1

## 5. Interest payable

1998

1997

On bank overdrafts repayable within 5 years

£ 172 £ 527

## 6. Taxation on Ordinary Activities

There was no charge to United Kingdom Corporation Tax for the year due to the loss for the year. There are losses of approximately £706,000 available for offset against future trading profits.

## Parkside Development Company Limited

## Financial Statements - 31st March 1998

## Notes (continued)

## 7. Exceptional items

The exceptional item of £285,024 (1997: £151,344) represents a provision against the value of property in course of development. The exceptional item of £605,481 (1997: £566,591) represents a provision against amounts due from group companies.

8. Property in the course of development	1998	1997
Long term work in progress	£ 195,000	£1,219,133

No external valuation has been obtained to support the carrying value of the company's interest in the property. The directors have considered the realisable value of the property in the medium term and consider that a provision of £552,392 (1997: £1,473,046) is appropriate.

9. Debtors, amounts falling due within one year	1998	1997
Trade debtors	15,000	15,000
Social security and other taxes	2,753	28,786
Other debtors	31,456	-
Prepayments and accrued income	50,581	-
	£ 99,790	£ 43,786

Included in prepayments and accrued income is £40,465 due from Parktel Properties Limited and £10,116 due from Parktel Developments Limited, both companies are fellow subsidiaries of Balmuir Property Company Limited.

10. Debtors, amounts falling due after more than one year	1998	1997
Amounts owed by group companies	6	393,964
Amounts owed by related companies	-	1,264
	£ 6	£ 395,228



## Parkside Development Company Limited

## Financial Statements - 31st March 1998

## Notes (continued)

11. Creditors, amounts falling due within one year	1998	1997
Bank loans and overdraft	-	111
Trade creditors	-	18,046
Amounts owed to group companies	930,444	804,588
Other creditors	6,852	6,852
Accruals	39,368	5,505
	<u>£ 976,664</u>	<u>£ 835,102</u>

12. Creditors, amounts falling due after more than one year	1998	1997
Amounts owed to related companies	<u>£3,125,270</u>	<u>£3,125,270</u>

The amounts due to related companies are unsecured with no date fixed for their repayment. No interest is charged on these amounts.

13. Equity Share Capital	1998	1997
Authorised		
100 Ordinary equity shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted and called up and fully paid		
6 Ordinary equity shares of £1 each	<u>£ 6</u>	<u>£ 6</u>

14. Reconciliation of movements on equity shareholders' funds	1998	1997
At 31st March 1997	(2,302,101)	(1,465,062)
Loss for the year	<u>(1,499,443)</u>	<u>(837,039)</u>
At 31st March 1998	<u>£(3,801,544)</u>	<u>£(2,302,101)</u>

## 15. Ultimate Parent Company

The company regards Balmuir Property Company Limited, a company incorporated in Great Britain and registered in England and Wales as its ultimate holding company. A copy of that company's financial statements can be obtained at its registered office.

Parkside Development Company Limited

Financial Statements - 31st March 1998

Notes (continued)

16. Related Party Transactions

During the year charges of £113,274 were made from a related company, Bannamore Limited, a company in which S.N.Trusty is a director. The charges were in respect of consultancy services and have been capitalised as part of work in progress. All transactions were made in the normal course of business and on arms length terms.

The company also sold a piece of land for £210,000 to Parktel Developments Limited, a fellow subsidiary.

In the year the company provided for a further £604,217 against an amount owing from a fellow subsidiary, Coventry Parkside Property Company Limited.