

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 1ST SEPTEMBER 1997 TO 31ST DECEMBER 1998  
FOR  
BOURNSTON DEVELOPMENTS LIMITED





**BOURNSTON DEVELOPMENTS LIMITED**

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**for the Period 1st September 1997 to 31st December 1998**

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**BOURNSTON DEVELOPMENTS LIMITED**

**COMPANY INFORMATION**

**for the Period 1st September 1997 to 31st December 1998**

**DIRECTORS:**

J R Whysall  
P M Kilmister

**SECRETARY:**

B S Smith-Hilliard

**REGISTERED OFFICE:**

Ossington Chambers  
Castle Gate  
Newark  
Nottinghamshire  
NG24 1AX

**REGISTERED NUMBER:**

2775041 (England and Wales)

**ACCOUNTANTS:**

Stephenson Nuttall & Co  
Chartered Accountants  
6/8 Castle Gate  
Newark  
Nottinghamshire  
NG24 1AX



# **BOURNSTON DEVELOPMENTS LIMITED**

## **REPORT OF THE DIRECTORS**

**for the Period 1st September 1997 to 31st December 1998**

The directors present their report with the financial statements of the company for the period 1st September 1997 to 31st December 1998.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of property development.

### **DIRECTORS**

The directors during the period under review were:

J R Whysall  
P M Kilmister

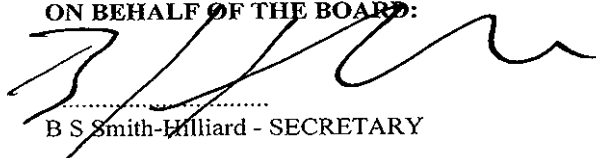
The beneficial interests of the directors holding office on 31st December 1998 in the issued share capital of the company were as follows:

	31/12/98	1/9/97
<b>'A' £1 shares</b>		
J R Whysall	1	1
P M Kilmister	-	-
<b>'B' £1 shares</b>		
J R Whysall	-	-
P M Kilmister	1	1

In accordance with the company's Articles of Association, by virtue of holding the only issued 'A' share, Mr J R Whysall is classified as an 'A' designated director. Similarly, Mr P M Kilmister, who holds the only issued 'B' share is classified as a 'B' designated director.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
B S Smith-Hilliard - SECRETARY

Dated: 8<sup>th</sup> June 1999





**BOURNSTON DEVELOPMENTS LIMITED****PROFIT AND LOSS ACCOUNT****for the Period 1st September 1997 to 31st December 1998**

		Period 1/9/97 to 31/12/98	Year Ended 31/8/97
	Notes	£	£
<b>TURNOVER</b>		342,774	214,733
Cost of sales		<u>256,152</u>	<u>169,978</u>
<b>GROSS PROFIT</b>		86,622	44,755
Administrative expenses		<u>28,837</u>	<u>10,200</u>
		57,785	34,555
Other operating income		<u>5,000</u>	<u>7,500</u>
<b>OPERATING PROFIT</b>	2	62,785	42,055
Interest receivable and similar income		<u>510</u>	<u>1,160</u>
		63,295	43,215
Interest payable and similar charges	3	<u>35,068</u>	<u>3,315</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		28,227	39,900
Tax on profit on ordinary activities	4	<u>3,553</u>	<u>5,513</u>
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		24,674	34,387
Deficit brought forward		<u>(944)</u>	<u>(35,331)</u>
<b>RETAINED PROFIT/(DEFICIT) CARRIED FORWARD</b>		<u>£23,730</u>	<u>£(944)</u>

The notes form part of these financial statements



**BOURNSTON DEVELOPMENTS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the Period 1st September 1997 to 31st December 1998**

	Period 1/9/97 to 31/12/98	Year Ended 31/8/97
	£	£
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	24,674	34,387
Unrealised surplus on revaluation of investments	<u>237,478</u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD</b>	<u><u>£262,152</u></u>	<u><u>£34,387</u></u>

The notes form part of these financial statements



**BOURNSTON DEVELOPMENTS LIMITED**

**BALANCE SHEET**  
**31st December 1998**

		<u>31/12/98</u>		<u>31/8/97</u>	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	5		10,528		-
Investments	6		<u>940,000</u>		<u>-</u>
			950,528		-
<b>CURRENT ASSETS:</b>					
Stocks		348,918		134,714	
Debtors	7	16,765		3,844	
Cash at bank		<u>37,032</u>		<u>4,450</u>	
		402,715		143,008	
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>705,682</u>		<u>143,950</u>	
<b>NET CURRENT LIABILITIES:</b>			<u>(302,967)</u>		<u>(942)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			647,561		(942)
<b>CREDITORS: Amounts falling due after more than one year</b>	9		<u>386,351</u>		<u>-</u>
			<u>£261,210</u>		<u>£(942)</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	12		2		2
Revaluation reserve	13		237,478		-
Profit and loss account			<u>23,730</u>		<u>(944)</u>
Shareholders' funds			<u>£261,210</u>		<u>£(942)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ending 31st December 1998.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements



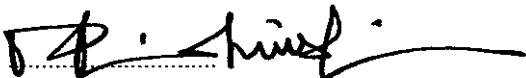
**BOURNSTON DEVELOPMENTS LIMITED**

**BALANCE SHEET**

**31st December 1998**

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'P M Kilmister', with a long horizontal flourish extending to the right.

P M Kilmister - DIRECTOR

Approved by the Board on 8<sup>th</sup> June 1999

The notes form part of these financial statements





## **BOURNSTON DEVELOPMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**for the Period 1st September 1997 to 31st December 1998**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The company and its subsidiary comprise a small group. The company has therefore taken advantage of Section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **Turnover**

Turnover comprises the value of services provided during the year and rents receivable (exclusive of Value Added Tax)

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on reducing balance

##### **Investment Property**

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a Revaluation reserve. No depreciation is provided in respect of investment properties. The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as the company's investment property is not held for consumption, but for its investment potential, to depreciate it would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made, the profit for the financial year would have been increased by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

##### **Stocks and Work in Progress**

Stocks and work in progress, which includes the cost of property together with all other directly attributable costs, are stated at the lower of cost and net realisable value. Costs of property purchased for development and resale includes the following:-

Cost of acquisition  
Legal fees on acquisition  
Planning fees and related costs  
Costs of development  
Professional fees relating to acquisition and development  
Interest incurred during development and ending on the date of practical completion

Net realisable value is based on actual or estimated sales proceeds less further costs expected to be incurred to completion.

Purchases and sales of properties are accounted for on exchange of contracts, unless the contract is conditional and the condition has not been satisfied at the date the financial statements are approved. In such circumstances the purchase or sale is accounted for on completion of contracts.

##### **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.

#### **2. OPERATING PROFIT**

The operating profit is stated after charging:

	Period 1/9/97 to 31/12/98 £	Year Ended 31/8/97 £
Depreciation - owned assets	843	-
Directors' emoluments and other benefits etc	-	-



**BOURNSTON DEVELOPMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****for the Period 1st September 1997 to 31st December 1998****3. INTEREST PAYABLE AND SIMILAR CHARGES**

Interest payable and similar charges includes the following:

	Period 1/9/97 to 31/12/98 £	Year Ended 31/8/97 £
Bank interest	428	571
Loan interest	34,640	1,259
Other interest	-	1,485
	<u>35,068</u>	<u>3,315</u>

In addition to the above, interest capitalised as part of development costs amounts to £Nil at 31<sup>st</sup> December 1998 (1997 £Nil).

Included within loan interest is £1,968 in relation to a loan from Waterlakes Estates Ltd., a wholly owned subsidiary of Bournston Developments Ltd.

**4. TAXATION**

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 1/9/97 to 31/12/98 £	Year Ended 31/8/97 £
UK corporation tax	<u>3,553</u>	<u>5,513</u>

UK corporation tax has been charged at 21% (1997 - 21% and 24%).

**5. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST:</b>			
Additions	<u>9,564</u>	<u>1,807</u>	<u>11,371</u>
At 31st December 1998	<u>9,564</u>	<u>1,807</u>	<u>11,371</u>
<b>DEPRECIATION:</b>			
Charge for period	<u>642</u>	<u>201</u>	<u>843</u>
At 31st December 1998	<u>642</u>	<u>201</u>	<u>843</u>
<b>NET BOOK VALUE:</b>			
At 31st December 1998	<u>8,922</u>	<u>1,606</u>	<u>10,528</u>
At 31st August 1997	<u>-</u>	<u>-</u>	<u>-</u>



**BOURNSTON DEVELOPMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Period 1st September 1997 to 31st December 1998**

6. **FIXED ASSET INVESTMENTS**

	£
<b>COST OR VALUATION:</b>	
Additions	702,522
Surplus on revaluation	<u>237,478</u>
At 31st December 1998	<u>940,000</u>
<b>NET BOOK VALUE:</b>	
At 31st December 1998	<u>940,000</u>

Cost or valuation at 31st December 1998 is represented by:

	£
Valuation in 1998	237,478
Cost	<u>702,522</u>
	<u>940,000</u>

If investments had not been revalued they would have been included at the following historical cost:

	31/12/98	31/8/97
	£	£
Cost	<u>702,522</u>	<u>-</u>

Investments were valued on an open market basis on 31st December 1998 by the Directors..

	31/12/98	31/8/97
	£	£
Unlisted investments - Investment property	675,000	-
- Investment in subsidiary company	<u>265,000</u>	<u>-</u>
	<u>940,000</u>	<u>-</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**Waterlakes Estates Limited**

Nature of business: Ownership of property for letting

	%
Class of shares:	holding
Ordinary £1	100.00

	30/4/99	30/4/98
	£	£
Aggregate capital and reserves	297,001	133,850
Profit for the year	<u>73,976</u>	<u>3,040</u>



**BOURNSTON DEVELOPMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****for the Period 1st September 1997 to 31st December 1998****7. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31/12/98	31/8/97
	£	£
Trade debtors	12,241	-
Other debtors	86	3,721
Prepayments	4,438	123
	<u>16,765</u>	<u>3,844</u>

**8. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31/12/98	31/8/97
	£	£
Bank loans and overdrafts	105,111	-
Other loan	159,337	-
Trade creditors	28,063	138,959
Directors Loan Accounts	56,000	1,606
Other creditors and accruals	5,434	803
Loan from subsidiary company	160,984	-
Balance due on completions	162,000	-
Social security & other taxes	21,006	-
Tenants deposits	4,196	-
Taxation	3,551	2,582
	<u>705,682</u>	<u>143,950</u>

In January 1999 the company restructured its borrowings by taking out two unsecured loans totalling £450,000 which fall due for repayment in January 2002. These monies are being used for funding of development purchases and construction costs.

**9. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	31/12/98	31/8/97
	£	£
Bank loans	<u>386,351</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>213,931</u>	<u>-</u>

**10. SECURED DEBTS**

The following secured debts are included within creditors:

	31/12/98	31/8/97
	£	£
Bank overdrafts	6,600	-
Bank loans	<u>484,862</u>	<u>-</u>
	<u>491,462</u>	<u>-</u>





**BOURNSTON DEVELOPMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****for the Period 1st September 1997 to 31st December 1998****11. PROVISIONS FOR LIABILITIES AND CHARGES**

The amount for which no provision has been made in respect of deferred taxation, is as follows:

	31/12/98	31/8/97
	£	£
Revaluation surplus	<u>28,870</u>	<u>-</u>

**12. CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	31/12/98	31/8/97
			£	£
50	'A'	£1	50	50
50	'B'	£1	<u>50</u>	<u>50</u>
			<u>100</u>	<u>100</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/98	31/8/97
			£	£
1	'A'	£1	1	1
1	'B'	£1	<u>1</u>	<u>1</u>
			<u>2</u>	<u>2</u>

**13. REVALUATION RESERVE**

	31/12/98	31/8/97
	£	£
Surplus for the year	<u>237,478</u>	<u>-</u>

**14. CONTINGENT LIABILITIES**

The company had no contingent liabilities at 31st December 1998(1997-None).

**15. CAPITAL COMMITMENTS**

	31/12/98	31/8/97
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

**16. TRANSACTIONS WITH DIRECTORS**

(i) The company traded on normal commercial terms, for management services provided, to a value of £5,000 (excluding VAT) with Claremont Properties Ltd., a company in which Mr P M Kilmister and Mr J R Whysall are directors and minority shareholders.

(ii) The company has a loan at 31st December 1998 of £215 (1997-£237) outstanding to Lodgeday Management Ltd., a company in which Mr P M Kilmister is a director and controlling shareholder. Interest on this loan is being charged at 10% p.a.

