

COMPANY NO: 2781721



CITY PROPERTY (THETFORD) LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1997

V.G. WATLING & CO.

CHARTERED CERTIFIED ACCOUNTANTS



**CITY PROPERTY (THETFORD) LIMITED**

**DIRECTORS**

P.A. Rackham  
Mrs.S.A. Rackham

**SECRETARY**

Mrs. J. Williams

**REGISTERED OFFICE**

Manor Farm,  
Bridgham,  
Norwich,  
NR16 2RX

**COMPANY NUMBER**

2781721

**AUDITORS**

V.G.Watling & Co.

**SOLICITORS**

Cunningham, John & co.

**BANKERS**

Barclays Bank Plc.

# **CITY PROPERTY (THETFORD) LIMITED**

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**CITY PROPERTY (THETFORD) LIMITED**  
**REPORT OF THE DIRECTORS**

The directors present their report, together with financial statements, for the year ended .  
 31st December 1997.

**PRINCIPAL ACTIVITY**

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

**POST BALANCE SHEET EVENTS**

Subsequent to the year end the company disposed of property at a value lower than book value and the profit and loss account reflects the additional write-down.

**DIRECTORS**

The directors in office during the year, and their beneficial interests in the issued ordinary share capital of the company, were as follows:

	31.12.97	31.12.96
A.J. Wickins (Resigned 28.11.97)	-	-
D.P.A. Smith FCA (Resigned 28.11.97)	-	-
P.A. Rackham (Appointed 28.11.97)	-	-
Mrs.S.A. Rackham (Appointed 28.11.97)	-	-

P.A. Rackham and Mrs. S.A. Rackham are directors of the company's parent company, Paul Rackham Limited, and their interests in the share capital of that company are disclosed in its directors' report.

**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 as at the end of the financial year 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

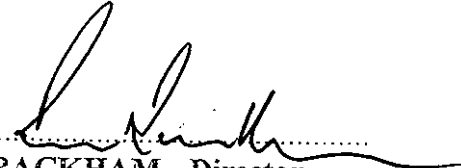
The directors are responsible for maintaining proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

V.G. Watling & Co., have been appointed auditors of the company and, having signified their willingness to continue in office will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

Signed on behalf of the board of directors

  
 P.A. RACKHAM - Director

Approved by the board: 9th September 1998

**AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF**  
**CITY PROPERTY (THETFORD) LIMITED**

We have audited the financial statements on pages 3 to 8, which have been prepared under the historical cost convention, and the accounting policies set out on page 5.

**Respective responsibilities of directors and auditor**

As described on page 1, 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 accounts 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 accounts 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.

**Opinion**

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



V.G. Watling & Co.,  
Chartered Certified Accountants and Registered Auditor,  
22 Thetford Road,  
Watton,  
Norfolk.  
IP25 6BS.

11th September 1998

**CITY PROPERTY (THETFORD) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

	Notes	1997 £	1996 £
<b>TURNOVER</b>		321,611	326,077
Cost of sales		13,324	34,003
<b>GROSS PROFIT</b>		308,287	292,074
Administrative expenses		30,348	336,478
		277,939	(44,404)
Other operating income		40,000	80,000
<b>OPERATING PROFIT</b>	2	317,939	35,596
Interest receivable		53,242	100,135
Interest payable		370,085	423,605
<b>PROFIT/(LOSS) on ordinary activities before taxation</b>		1,096	(287,874)
<b>TAXATION</b>		-	-
<b>PROFIT/(LOSS) on ordinary activities after taxation</b>		1,096	(287,874)
<b>SUSTAINED LOSSES</b> brought forward		(405,965)	(118,091)
<b>SUSTAINED LOSSES</b> carried forward		£(404,869)	£(405,965)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit or loss for the two financial years.

The notes on pages 5 - 8 form part of these accounts.

**CITY PROPERTY (THETFORD) LIMITED**  
**BALANCE SHEET AS AT 31ST DECEMBER 1997**

	Notes	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Tangible assets	3		3,830,076		2,846,862
<b>CURRENT ASSETS</b>					
Debtors	4	214,785		1,097,109	
Cash at bank & in hand		37,658		61,906	
		<u>252,443</u>		<u>1,159,015</u>	
<b>CREDITORS:</b> Amounts falling due					
within one year	5	310,982		450,359	
		<u></u>		<u></u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(58,539)		708,656
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,771,537		3,555,518
<b>CREDITORS:</b> Amounts falling due					
after more than one year	6		4,176,386		3,693,407
			<u></u>		<u></u>
<b>NET (LIABILITIES)</b>			<u>£ (404,849)</u>		<u>£ (137,889)</u>

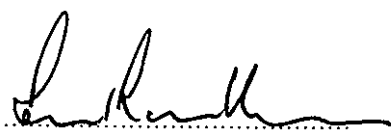
Represented by:

**CAPITAL AND RESERVES**

Called up share capital	7		20		20
Revaluation reserve			-		268,056
Profit and loss account			(404,869)		(405,965)
			<u></u>		<u></u>
<b>SHAREHOLDERS FUNDS</b>	8		<u>£ (404,849)</u>		<u>£ (137,889)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

Signed on behalf of the board of directors

  
P.A. RACKHAM - Director

Approved by the Board: 9th September 1998

**CITY PROPERTY (THETFORD) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**31ST DECEMBER 1997**

**1. ACCOUNTING POLICIES**

**a) Basis of accounting**

The accounts have been prepared under the historical cost convention.

**b) Going concern**

The financial statements have been drawn up on a going concern basis. If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of the assets to their recoverable amount and to provide for any further liability that might arise.

**c) Cash flow**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

**d) Turnover**

Turnover represents net invoiced services, excluding V.A.T.

**e) Deferred taxation**

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

**f) Investment properties**

Investment properties are valued annually on an open market basis in accordance with SSAP19.

**2. OPERATING PROFIT**

This is stated after charging:

Auditors' remuneration

Depreciation

	1997	1996
	£	£

	1,900	1,825
	730	973
	<u>          </u>	<u>          </u>



**CITY PROPERTY (THETFORD) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**31ST DECEMBER 1997**

**3. TANGIBLE FIXED ASSETS**

	Freehold Investment properties £	Fixtures and fittings £	TOTAL £
<b>Cost or valuation</b>			
At 1.1.97	2,842,000	7,781	2,849,781
Additions	1,258,000	-	1,258,000
Reduction to realisable value (Disposals)	(269,924)	-	(269,924)
	-	(7,781)	(7,781)
At 31.12.97	£3,830,076	-	3,830,076
<b>Depreciation</b>			
At 1.1.97	-	2,919	2,919
In year	-	730	730
(On disposals)	-	(3,649)	(3,649)
At 31.12.97	£ -	-	-
<b>Net book values</b>			
At 31.12.97	£3,830,076	-	3,830,076
At 1.1.97	£2,842,000	4,862	2,846,862

Investment properties have been valued by P.A. Rackham, director, at £3,850,000 as at 31st December 1997 and consequently no adjustment has been made to the revaluation reserve.

	1997 £	1996 £
<b>4. DEBTORS</b>		
Trade debtors	98,769	42,512
Other debtors	62,591	125,002
Prepayments	-	730
Taxation recoverable	20,022	20,022
Amount owing by group undertakings	33,403	908,843
	£214,785	£1,097,109
<b>5. CREDITORS: Amounts falling due within one year</b>		
Taxation & social security	13,175	21,551
Accruals	240,786	377,201
Other loans (secured)	57,021	51,607
	£310,982	£450,359

**CITY PROPERTY (THETFORD) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**31ST DECEMBER 1997**

	1997 £	1996 £
<b>6. CREDITORS:</b>		
Amounts falling due after more than one year:		
Loans - secured	2,636,386	2,893,407
Loans - unsecured	1,540,000	800,00
	<u>£4,176,386</u>	<u>£3,693,407</u>

These amounts are repayable by instalments as follows:

Between one and three years	63,002	920,021
Between two and five years	1,571,520	231,499
More than five years	2,548,864	2,541,887
	<u>£4,176,386</u>	<u>£3,693,407</u>

**7. SHARE CAPITAL**

Authorised:

910 £1 ordinary shares	£910	£910
90 £1 deferred shares	£90	£90
	<u>      </u>	<u>      </u>

Allotted, issued and fully paid:

£1 ordinary shares	£20	£20
	<u>      </u>	<u>      </u>

**8. RECONCILIATION OF MOVEMENTS  
IN SHAREHOLDERS FUND**

Profit/(Loss) for the financial year	1,096	(287,874)
Amounts written off as value of investment properties	(268,056)	(262,686)
Opening shareholders funds	(137,889)	412,671
	<u>      </u>	<u>      </u>
Closing shareholders funds	£(404,849)	£(137,889)
	<u>      </u>	<u>      </u>

**9. HOLDING COMPANY**

In November 1997 the company became a wholly owned subsidiary of Paul Rackham Limited, a company incorporated in the United Kingdom.

**CITY PROPERTY (THETFORD) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**31ST DECEMBER 1997**

**10. TRANSACTIONS WITH RELATED PARTIES**

Paul Rackham Limited charged estate maintenance fees of £5,614 to City Property (Thetford) Limited, and this sum plus VAT is included in creditors at the end of the year. The company charged Paul Rackham Limited £40,000 for management services in the year.

Anti-Waste Limited, a subsidiary of Waste Recycling Group plc, in which Mr. Paul Rackham is a shareholder, rents property totalling £3,640 per year, which is included in rental income. Rent for the quarter to 24th March 1998 is included in debtors at 31st December 1997, amounting to £1,069 plus VAT.