

Registration number England 632312

York & District Investment Company Limited

Directors' report and financial statements

for the year ended 30 September 2005



York & District Investment Company Limited

Company information

Directors	J. Guthrie Mrs. E. Guthrie K. F. Ball P. J. Guthrie R. Guthrie B. P. Swiers M. Robson M. J. Harrison	(resigned 31 December 2004) (resigned 31 January 2005) (appointed 31 January 2005) (appointed 31 January 2005)
Secretary	B. P. Swiers	
Company number	England 632312	
Registered office	137 Scalby Road Scarborough North Yorkshire YO12 6TB	
Auditors	Moore Stephens 12 Alma Square Scarborough North Yorkshire YO11 1JU	
Business address	137 Scalby Road Scarborough North Yorkshire YO12 6TB	
Bankers	Bank of Scotland Head Office The Mound Edinburgh EH1 1YZ	

York & District Investment Company Limited

Contents

	Page
Directors' report	1
Auditors' report	2 - 3
Profit and loss account	4 - 5
Balance sheet	6
Notes to the financial statements	7 - 14

York & District Investment Company Limited

Directors' report for the year ended 30 September 2005

The directors present their report and the financial statements for the year ended 30 September 2005.

Principal activity and review of the business

The principal activities of the company during the period have been the letting of investment property and collection of income from investments. The particularly large profit in the year ended 2005 compared with previous years was due to the sale of some of the company's strategically-held listed investments. The Directors expect that the company will continue to make satisfactory profits from its core business of holding an investment property portfolio.

Results and dividends

The results for the year are set out on pages 4 - 5.

The directors have paid a final dividend amounting to £6,825,000 during the year.

Directors and their interests

The directors named served during the period. The interests of Mr. J. Guthrie, Mr. P. J. Guthrie, Mr. R. Guthrie, Mr. M. Robson and Mr. M. J. Harrison in the capital of group companies are disclosed in the directors' report of Broadland Properties Limited. Mrs. E. Guthrie held no interests in the capital of any group companies during the period under review.

Elective resolutions

The shareholders have passed elective resolutions dispensing with the requirement to hold an annual general meeting and to lay the accounts before an annual general meeting. Nevertheless the directors would like to remind the shareholders that any shareholder has the right to call for the accounts to be laid before a meeting of the shareholders and this right may be exercised by notice in writing to the company's registered office within 28 days of receipt of the accounts.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

This report was approved by the Board on 26 April 2006 and signed on its behalf by

B. P. Swiers
Secretary



York & District Investment Company Limited

Independent auditors' report to the shareholders of York & District Investment Company Limited

We have audited the financial statements of York & District Investment Company Limited for the year ended 30 September 2005 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

York & District Investment Company Limited

**Independent auditors' report to the shareholders of York & District Investment Company Limited
(continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Stephens

**Moore Stephens
Registered Auditors**

26 April 2006

**12 Alma Square
Scarborough
North Yorkshire
YO11 1JU**

York & District Investment Company Limited

**Profit and loss account
for the year ended 30 September 2005**

		Continuing operations	
		2005	2004
	Notes	£	£
Turnover	2	465,082	436,133
Cost of sales		(121,056)	(157,765)
Gross profit		344,026	278,368
Administrative expenses		(47,238)	(48,684)
Operating profit	3	296,788	229,684
Profit on sale of fixed asset investments		6,744,472	263,078
Profit on ordinary activities before interest		7,041,260	492,762
Investment income	4	67,567	158,794
Other interest receivable and similar income	5	24,277	799
Interest payable and similar charges	6	-	(37)
Profit on ordinary activities before taxation		7,133,104	652,318
Tax on profit on ordinary activities	8	(1,492,000)	-
Profit on ordinary activities after taxation		5,641,104	652,318
Dividends	10	(6,825,000)	(630,000)
(Loss)/retained profit for the year	17	(1,183,896)	22,318

The notes on pages 7 to 14 form an integral part of these financial statements.

York & District Investment Company Limited

Statement of total recognised gains and losses for the year ended 30 September 2005	2005	2004
	£	£
Profit on ordinary activities after taxation	5,641,104	652,318
Unrealised movement on revaluation of investments - properties	250,000	532,533
	<hr/>	<hr/>
Total recognised gains relating to the year	<u>5,891,104</u>	<u>1,184,851</u>

**Note of historical cost profits and losses
for the year ended 30 September 2005**

Profit on ordinary activities before taxation	7,133,104	652,318
Realisation of property revaluation gains from previous years	28,387	49,493
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	<u>7,161,491</u>	<u>701,811</u>
Historic cost (loss)/profit for the year retained after taxation and dividends	<u>(1,155,509)</u>	<u>71,811</u>

The notes on pages 7 to 14 form an integral part of these financial statements.

York & District Investment Company Limited

**Balance sheet
as at 30 September 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Investments - properties	11		4,641,741		4,392,495
Investments - shares	12		762,827		1,612,644
			<u>5,404,568</u>		<u>6,005,139</u>
Current assets					
Debtors	13	1,021,003		633,167	
Cash at bank and in hand		23,615		24,385	
		<u>1,044,618</u>		<u>657,552</u>	
Creditors: amounts falling due within one year	14	(779,910)		(59,519)	
Net current assets			<u>264,708</u>		<u>598,033</u>
Total assets less current liabilities			5,669,276		6,603,172
Provisions for liabilities and charges	15		(44,525)		(44,525)
Net assets			<u>5,624,751</u>		<u>6,558,647</u>
Capital and reserves					
Called up share capital	16		210,000		210,000
Revaluation reserve	17		2,367,738		2,146,125
Profit and loss account	17		3,047,013		4,202,522
Equity shareholders' funds	18		<u>5,624,751</u>		<u>6,558,647</u>

The financial statements were approved by the Board on 26 April 2006 and signed on its behalf by


J. Guthrie
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

York & District Investment Company Limited

Notes to the financial statements for the year ended 30 September 2005

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties.

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents amounts receivable for rents and service charges.

1.3. Investment properties

In accordance with SSAP 19 the directors have included the company's investment properties in the balance sheet at the directors' estimate of their open market value. The corresponding unrealised surpluses and deficiencies are included in an undistributable revaluation reserve, unless the total of the revaluation reserve is insufficient to cover a deficit, in which case the amount by which the deficit exceeds the amount in the revaluation reserve is charged in the profit and loss account. In common with many other investment companies and in accordance with SSAP 19, no depreciation has been provided by the company on freehold, feuhold and long leasehold investment properties. This departure from statutory accounting principles is enabled under s226(5) of the Companies Act 1985 for the overriding purpose of presenting a true and fair view.

1.4. Depreciation/amortisation

Freehold and long leasehold properties are not depreciated.
Unquoted shares are written off over the life of the debenture.

1.5. Investments

Quoted and unquoted investments are stated at the lower of cost or net realisable value.

1.6. Deferred taxation

The company has applied FRS 19 in accounting for deferred tax. The general principle is that deferred tax is recognised as a liability or asset if the transactions or events that give an obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date, although deferred tax is not provided on timing differences arising when a fixed asset is revalued without there being any commitment to sell the asset.

1.7. Acquisition and disposal of properties

Acquisitions of properties are accounted for on the date of unconditional contract and disposals of properties on the date of legal completion.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

York & District Investment Company Limited

Notes to the financial statements for the year ended 30 September 2005

..... continued

3. Operating profit	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	20,680	20,680
Auditors' remuneration	6,120	6,000
	<u> </u>	<u> </u>
4. Income from investments	2005	2004
	£	£
Income from listed investments	67,567	158,794
	<u> </u>	<u> </u>
5. Interest receivable and similar income	2005	2004
	£	£
Bank interest	1,074	745
Other interest	23,203	54
	<u> </u>	<u> </u>
	<u>24,277</u>	<u>799</u>
6. Interest payable and similar charges	2005	2004
	£	£
On bank loans and overdrafts	-	37
	<u> </u>	<u> </u>
7. Employment costs	2005	2004
	£	£
There were no employees during the year apart from the directors.		
Directors' emoluments	6,000	6,000
Social security costs	1,134	2,853
	<u> </u>	<u> </u>
	<u>7,134</u>	<u>8,853</u>

York & District Investment Company Limited

Notes to the financial statements for the year ended 30 September 2005

..... continued

8. Taxation

	2005	2004
	£	£
Analysis of tax charge in the year		
Current tax	-	-
UK corporation tax on profits of the period	1,492,000	-
Total current tax	1,492,000	-
Tax on profit on ordinary activities	1,492,000	-
Factors affecting the tax charge for the year		
Profit on ordinary activities before tax	7,133,104	652,318
Profit on ordinary activities before tax multiplied by the standard rate of UK corporation tax of 30%	2,139,931	195,695
Effects of:		
Group relief at 0%	(569,391)	(160,744)
Expenses not deductible for tax purposes	6,265	6,564
Dividend income not taxable	(20,270)	(47,638)
Indexation allowance	(73,051)	(11,899)
Tax on revaluations realised	8,516	26,583
Adjustment to cost of disposal	-	(8,561)
Current tax charge for year	1,492,000	-

York & District Investment Company Limited

**Notes to the financial statements
for the year ended 30 September 2005**

..... continued

9. Deferred taxation

	2005	2004
	£	£
Full potential amounts		
Accelerated capital allowances	(44,525)	(44,525)
On disposal of revalued assets	(341,174)	(283,427)
	<u>(385,699)</u>	<u>(327,952)</u>
Of which provided in the accounts		
Accelerated capital allowances	(44,525)	(44,525)
	<u>(44,525)</u>	<u>(44,525)</u>
Analysis of movement		
Balance b/fwd	(44,525)	
Deferred tax charge for the period	-	
Balance c/fwd	<u>(44,525)</u>	

10. Dividends

	2005	2004
	£	£
Dividends on equity shares:		
Ordinary shares - final paid	<u>6,825,000</u>	<u>630,000</u>

York & District Investment Company Limited

**Notes to the financial statements
for the year ended 30 September 2005**

..... continued

11. Investments - Properties

	Freehold property £	Long leasehold property £	Total £
Valuation			
At 1 October 2004	4,361,202	31,293	4,392,495
Additions	147,590	-	147,590
Revaluations	250,000	-	250,000
Disposals	(117,051)	(31,293)	(148,344)
At 30 September 2005	4,641,741	-	4,641,741
Net book values			
At 30 September 2005	4,641,741	-	4,641,741
At 30 September 2004	4,361,202	31,293	4,392,495
Historical cost			
At 30 September 2005	2,274,003	-	2,274,003
At 30 September 2004	2,215,077	31,293	2,246,370

Investment properties have been revalued at their open market value by Mr. J. Guthrie FRICS (director).

York & District Investment Company Limited

**Notes to the financial statements
for the year ended 30 September 2005**

..... continued

12. Investments - Shares	Listed investments £	Other unlisted investments £	Total £
Cost			
At 1 October 2004	1,510,104	185,594	1,695,698
Additions	-	32,900	32,900
Disposals	(854,037)	(92,600)	(946,637)
At 30 September 2005	656,067	125,894	781,961
Provisions for diminution in value:			
At 1 October 2004	-	83,054	83,054
Movement	-	20,680	20,680
Disposals	-	(84,600)	(84,600)
At 30 September 2005	-	19,134	19,134
Net book values			
At 30 September 2005	656,067	106,760	762,827
At 30 September 2004	1,510,104	102,540	1,612,644

The open market value of the listed investments is £1,199,802 (2004 - £6,922,532).

It is expected that tax of £137,000 would be payable if the listed investments were sold at their year end valuation.

13. Debtors	2005 £	2004 £
Trade debtors	57,240	44,523
Amounts owed by group undertakings	950,583	576,572
Other debtors	13,180	12,072
	<u>1,021,003</u>	<u>633,167</u>

Amounts owed by group companies are interest free and have no specific repayment terms and may therefore be due after more than one year.

York & District Investment Company Limited

**Notes to the financial statements
for the year ended 30 September 2005**

..... continued

14. Creditors: amounts falling due within one year	2005	2004
	£	£
Trade creditors	7,548	5,453
Corporation tax	622,000	-
Other creditors	88,478	40
Accruals and deferred income	61,884	54,026
	<u>779,910</u>	<u>59,519</u>
 15 Provisions for liabilities and charges		
		Deferred taxation (Note 9)
		£
At 1 October 2004		44,525
At 30 September 2005		<u>44,525</u>
 16. Share capital	2005	2004
	£	£
Authorised equity		
250,000 Ordinary shares of 1 each	<u>250,000</u>	<u>250,000</u>
 Allotted, called up and fully paid equity		
210,000 Ordinary shares of 1 each	<u>210,000</u>	<u>210,000</u>
 17. Equity Reserves	Revaluation reserve	Profit and loss account
	£	£
At 1 October 2004	2,146,125	4,202,522
Transfer of realised profit	(28,387)	28,387
Revaluation of property	250,000	-
(Loss)/retained profit for the year	-	(1,183,896)
At 30 September 2005	<u>2,367,738</u>	<u>3,047,013</u>
		<u>5,414,751</u>

York & District Investment Company Limited

**Notes to the financial statements
for the year ended 30 September 2005**

..... continued

18. Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit for the year after taxation	5,641,104	652,318
Dividends	(6,825,000)	(630,000)
	(1,183,896)	22,318
Other recognised gains or losses	250,000	532,533
Net (deduction) from/addition to shareholders' funds	(933,896)	554,851
Opening shareholders' funds	6,558,647	6,003,796
Closing shareholders' funds	<u>5,624,751</u>	<u>6,558,647</u>

19. Contingent liabilities

This company has given cross guarantees in respect of group borrowings from its bankers. Security given includes a debenture over the whole assets of this company and a legal charge over one property. The company has also given a guarantee to the bankers of a fellow subsidiary in respect of that company's borrowings.

20. Related party transactions

Advantage is taken of the exemption given in Financial Reporting Standard number 8 "Related Party Disclosures" from the requirement to separately disclose transactions with group companies.

21. Ultimate parent undertaking

The accounts of this company are included in the consolidated accounts of Broadland Properties Limited, which is regarded as the company's ultimate parent company.