

BROADHAVEN PROPERTY COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 1997

A.P.BAKER & CO

CHARTERED ACCOUNTANTS

191 WHITCHURCH ROAD, CARDIFF

COMPANY NUMBER 00538920



BROADHAVEN PROPERTY COMPANY LIMITED

DIRECTORS' REPORT

The directors present their Annual Report and the audited Financial Statements for the year ended 30th June 1997

PRINCIPAL ACTIVITIES

The company is a property investment company, which activity continued throughout the year.

BUSINESS REVIEW

A summary of the results of the year's trading is given on Page 2 of the accounts.

As opportunities arise, the company will be continuing to improve it's freehold properties and will seek Local Authority Grants for this purpose where appropriate. The results for the year are considered to be satisfactory.

DIVIDEND

The directors do not recommend a dividend. (1996-Nil).

MARKET VALUE OF LAND AND BUILDINGS

The directors believe the market value of the company's properties to be substantially above their book value, but as no active steps are to be taken to dispose of these properties, they do not consider the expense of a valuation to be justified.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year and their interests in the share capital of the company, including family interests, were as recorded in the Register of Directors' Interest, as follows:

	<u>SHARES</u> <u>30/6/97</u>	<u>SHARES</u> <u>30/6/96</u>
	£	£
Barbara Kate White	NIL	NIL
Jeannette Wagstaffe	245	245
Suzanne Steddy	<u>245</u>	<u>245</u>
	£ 490	£ 490
	===	===

TAX STATUS

The Company is a "close company" within the provisions of the Taxes Acts.

AUDITOR

Under a written resolution of the members of the company taken pursuant to Sections 37A, 252, 366A and 388 of the Companies Act 1985 (as amended), the members of the company have elected to dispense with the obligation to appoint auditors annually.

BY ORDER OF THE BOARD

B.K. WHITE

2nd September 1997

*Barbara K White* Director

BROADHAVEN PROPERTY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
Gross Rental Income	2	24,134	22,720
Property Expenses		<u>14,347</u>	<u>11,814</u>
NET RENTAL INCOME		9,787	10,906
Administrative Expenses		(8,753)	(9,077)
Depreciation		-	-
Interest Receivable		<u>483</u>	<u>633</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,517	2,462
Tax on Profit/(Loss) on ordinary activities	5	<u>233</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1,284	2,462
Balance brought forward		<u>44,966</u>	<u>42,504</u>
BALANCE CARRIED FORWARD		£ <u>46,250</u>	£ <u>44,966</u>

The notes on pages 4 to 7 form part of these accounts.

BROADHAVEN PROPERTY COMPANY LIMITED

BALANCE SHEET AS AT 30TH JUNE 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		£	£
TANGIBLE FIXED ASSETS	6	28,880	28,880
<u>CURRENT ASSETS</u>			
Debtors	7	4,683	5,304
Cash at bank and in hand		<u>23,752</u>	<u>19,302</u>
		28,435	24,606
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	8	<u>10,575</u>	<u>8,030</u>
NET CURRENT ASSETS		<u>17,860</u>	<u>16,576</u>
NET ASSETS		£ 46,740 =====	£ 45,456 =====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	490	490
Profit and Loss Account		<u>46,250</u>	<u>44,966</u>
		£ 46,740 =====	£ 45,456 =====

The accounts were approved by the Board of Directors on 2nd September 1997.

*Barbara K. White*

B.K. WHITE (DIRECTOR)

The notes on pages 4 to 7 form part of these accounts.

BROADHAVEN PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1997

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

(b) Investment Properties

Freehold properties are stated at cost, including where appropriate, costs of refurbishment. Refurbishment work which is eligible for Housing Grant purposes is treated as capital expenditure, all other costs being considered to be of a revenue nature. Grants received are credited against the total cost of the relevant properties.

These policies do not accord with the requirements of Standard Accounting Practice No. 19, which required that Investment Properties should be included in the Balance Sheet at their open market value. The directors consider that the cost of obtaining the necessary valuation could not be justified.

(c) Depreciation and amortisation

No depreciation is provided on freehold land and buildings. In the opinion of the directors, the open market value of the freehold land alone exceeds the aggregate book value of the land and buildings, so that no provision for depreciation on the buildings is required.

(d) Capital Reserve

It is the policy of the company to transfer profits on the sale of investment properties to capital reserve after providing for taxation payable on such profits.

(e) Taxation and deferred taxation

Corporation Tax is provided at the small companies rate on income profits of the year.

No provision is made for deferred taxation, the full potential amount of which cannot be estimated due to the absence of a current open market valuation of the premises. There are no significant timing differences giving rise to a requirement for the provision for deferred taxation on ordinary activities.

2. RENTAL INCOME

Gross rental income represents rental income receivable from let property.

BROADHAVEN PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1997 (CONT/D)

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
3 <u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		
Profit before taxation is stated after charging or crediting the following:		
Directors' Emoluments	7,287	7,701
Auditor's Remuneration and Expenses	1,175	1,175
	<u>=====</u>	<u>=====</u>
4 <u>STAFF NUMBERS AND COSTS</u>		
The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:		
Management	3	3
	<u>=====</u>	<u>=====</u>
The aggregate payroll costs of these persons were as follows:		
Directors' Salaries	£ 7,287	£ 7,701
	<u>=====</u>	<u>=====</u>
5 <u>TAXATION</u>		
	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Corporation tax for the year after losses brought forward	£ 233	£ -
	<u>=====</u>	<u>=====</u>

BROADHAVEN PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1997 (CONT/D)

6 TANGIBLE FIXED ASSETS

	<u>Investment Properties Freehold</u>	<u>Fixtures and Equipment</u>	<u>Total</u>
	£	£	£
<u>Cost:</u>			
At 1 July 1996	28,879	197	29,076
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 1997	<u>28,879</u>	<u>197</u>	<u>29,076</u>
<u>Depreciation &amp; Amortisation:</u>			
At 1 July 1996	-	196	196
Charge this year	-	-	-
On Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 1997	<u>-</u>	<u>196</u>	<u>196</u>
<u>Net Book Value:</u>			
At 30 June 1997	£ <u>28,879</u>	£ <u>1</u>	£ <u>28,880</u>
At 30 June 1996	£ <u>28,879</u>	£ <u>1</u>	£ <u>28,880</u>

7 DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Trade Debtors	2,219	129
Debtors & Prepayments	<u>2,464</u>	<u>5,175</u>
	£ <u>4,683</u>	£ <u>5,304</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN  
ONE YEAR

	<u>1997</u>	<u>1996</u>
	£	£
Directors Loan Account	6,318	5,890
Creditors and Accruals	<u>4,257</u>	<u>2,140</u>
	£ <u>10,575</u>	£ <u>8,030</u>

BROADHAVEN PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1997 (CONT/D)

	<u>1997</u>	<u>1996</u>
	£	£
9 <u>SHARE CAPITAL</u>		
Authorised		
1,000 Ordinary Shares of £1 each	£ 1,000 =====	£ 1,000 =====
Alotted, called up and fully paid		
490 Ordinary shares of £1 each	£ 490 =====	£ 490 =====
10 <u>COMMITMENTS</u>		

There were no capital commitments at 30 June 1997 (1996 - Nil).

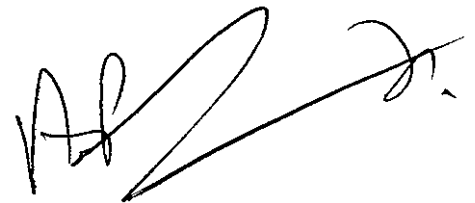


REPORT OF THE AUDITOR TO THE MEMBERS OF  
BROADHAVEN PROPERTY COMPANY LIMITED

We have audited the Financial Statements on Pages 1 to 7 in accordance with approved Auditing Standards.

The company's accounting policy relating to investment properties as set out in Note 1 to the Financial Statements, does not comply with Statement of Standard Accounting Practice No. 19.

Subject to any restatement which might arise from adopting such a policy, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th June 1997 and of its Profit for the year to that date and comply with the Companies Act 1985.



191 WHITCHURCH ROAD,  
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CF4 3JR

A.P. BAKER & CO.  
CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITORS  
2nd September 1997