

COUNTRYSIDE MARITIME LTD

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 1996

Registered Number 2549379



COUNTRYSIDE MARITIME LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 1996

The Directors submit their annual report together with the accounts for the year ended 30 September 1996.

DIRECTORS

The Directors of the Company during the year were:

A H Cherry	
M F Pearce	
R S Cherry	
M J Appleton	
D K Shelton	
R F Moore	- appointed 7th November 1995
J R Walker	- appointed 31st July 1996
S Stone	- resigned 3rd November 1995
R A Beattie	- resigned 19th July 1996

DIRECTORS' INTERESTS

No Director had at any time during the year any interest in the shares of the Company.

ACTIVITIES AND RESULTS

The Company's principal activity is residential property development.

The Company is a joint venture between Countryside Properties PLC and the Urban Regeneration Agency for the development of St Mary's Island, Chatham.

The results for the period are shown in the profit and loss account on page 2.

The Directors do not recommend the payment of a dividend, (1995 : None).

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office and in accordance with the Companies Act 1985 they will be proposed for reappointment.

By Order of the Board

M F Pearce
Secretary

29th January 1997

COUNTRYSIDE MARITIME LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(1,018)	(3,887)
(Loss) on ordinary activities before taxation	2	(1,018)	(3,887)
Taxation		-	-
(Loss) on ordinary activities after taxation		(1,018)	(3,887)
Dividends		-	-
Retained (Loss) for the financial year	9	(1,018)	(3,887)

There were no recognised gains or losses incurred in the financial year other than those shown in the profit & loss account.

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

COUNTRYSIDE MARITIME LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Current assets			
Stocks	5	4,609,128	98,938
Debtors	6	47,528	1,965
Cash		-	5,660
		<u>4,656,656</u>	<u>106,563</u>
Current Liabilities			
Creditors: Amounts falling due within one year			
Borrowings	7	(3,880,687)	-
Creditors	7	(275,965)	(1,000)
		<u>(4,156,652)</u>	<u>(1,000)</u>
Total assets less current liabilities		500,004	105,563
Creditors: Amount falling due after more than one year			
	7	(495,459)	(100,000)
		<u>4,545</u>	<u>5,563</u>
CAPITAL AND RESERVES			
Called up share capital	8	10,000	10,000
Profit and loss account	9	(5,455)	(4,437)
Total shareholders' funds	11	<u>4,545</u>	<u>5,563</u>

Approved by the Board on 27th January 1997

A H Cherry

M J Appleton

Directors

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

COUNTRYSIDE MARITIME LIMITED

NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 30 SEPTEMBER 1996

1 ACCOUNTING POLICIES

The principal accounting policies of the company are as follows:

Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises sales of properties where building has been completed and the property has been legally conveyed to the purchaser. In the case of long-term contracts, turnover includes amounts invoiced during the year for work certified as completed under the contract. Sales of second-hand properties acquired solely to assist the sale of new properties under the Company's part-exchange scheme are not included in turnover.

Profit

Profit is taken on legal completion of sale of each property, except in the case of long-term contracts where attributable profit is taken having regard to the proportion of the contract completed at the balance sheet date.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost of stocks comprises construction costs, interest and other development expenditure (including second-hand properties acquired under the Company's part-exchange scheme), and an appropriate proportion of overheads relating to construction.

The Directors regularly review all stocks and where, in their opinion, the net realisable value of any individual site is less than cost then provision is made to reduce the cost of stock to net realisable value. When each property is sold any provision which had been made against that unit at the previous year-end is released to trading profit. Where net realisable value exceeds cost, no account is taken of the increase until it is realised.

Deferred Taxation

Provision is only made for deferred taxation when there is a reasonable probability of payment in the foreseeable future.

Cash flow Statement

As permitted by Financial Reporting Standard No 1, the company has not produced a cash flow statement on the grounds that it is a small company.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

- The loss on ordinary activities before taxation is arrived at after charging :

	<u>1996</u>	<u>1995</u>
	£	£
Auditors' remuneration	<u>1,000</u>	<u>500</u>

3 DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments in respect of their services to the company during the year. (1995 : £ NIL)

4 EMPLOYEES

The company has no employees and therefore there are no employee costs.

5 STOCKS

	<u>1996</u>	<u>1995</u>
	£	£
Stocks comprise:		
Work in Progress	4,609,128	98,938
Completed Properties	-	-
	<u>4,609,128</u>	<u>98,938</u>

Stocks may further be analysed:

Work in progress		
Interest	91,471	-
Construction and other costs	4,517,657	98,938
	<u>4,609,128</u>	<u>98,938</u>

6 DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
VAT recoverable	<u>47,528</u>	<u>1,965</u>

7 CREDITORS

	<u>1996</u>	<u>1995</u>
	£	£
Amounts falling due within one year:		
Bank Borrowings	(3,880,687)	-
Trade Creditors	(2,750)	-
Accruals	(2,000)	(1,000)
Shareholders' Loans	(271,215)	-
	<u>(4,156,652)</u>	<u>(1,000)</u>

The Shareholders loan was repaid to the Urban Regeneration Agency on 15th November 1996.

	<u>1996</u>	<u>1995</u>
	£	£
Amounts falling due after more than one year		
Shareholders' Loans:		
Countryside Properties Plc	-	(50,000)
The Urban Regeneration Agency	(495,459)	(50,000)
	<u>(495,459)</u>	<u>(100,000)</u>

The Shareholder's loan is repayable on a date to be determined by reference to events relating to Sector 2 St Mary's Island, Chatham. This is anticipated to be more than one year from the balance sheet date.

8 CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Authorised, allotted, called up and fully paid		
4950 "A" Ordinary shares of £1	4,950	4,950
4950 "B" Ordinary shares of £1	4,950	4,950
1,000 Income shares of 10p each	100	100
	<u>10,000</u>	<u>10,000</u>

The "A" and "B" Ordinary shares are identical and rank pari passu. The "A" Ordinary shares and the "B" Ordinary shares carry voting rights but are not entitled to share in the income. In a winding up or other return of capital the holders of "A" and "B" Ordinary shares are entitled to receive an amount equal to the amount paid up thereon.

Income shares participate in the profits or assets of the company upon a distribution of profits, return of capital, winding up of the company or otherwise. They carry no right to vote, either in person or by proxy, at general meetings of the company.

9 RESERVES

	<u>1996</u> £	<u>1995</u> £
Profit and Loss account		
At 1st October 1995	(4,437)	(550)
(Loss) for the year	(1,018)	(3,887)
At 30th September 1996	<u>(5,455)</u>	<u>(4,437)</u>

10 CAPITAL COMMITMENTS

The company had no capital commitments at 30th September 1996. (1995 : £ NIL)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u> £	<u>1995</u> £
Shareholders' funds at 1st October 1995	5,563	9,450
(Loss) for the financial year	(1,018)	(3,887)
Shareholders' funds at 30th September 1996	<u>4,545</u>	<u>5,563</u>

12 POST BALANCE SHEET EVENTS

Since the year end the company has completed the sale of 7 residential properties generating turnover of £625,000.

COUNTRYSIDE MARITIME LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required by UK company law to prepare accounts for each period which give a true and fair view of the state of affairs of the Company as at the end of the period and of the profit and loss for that period. The Directors consider that in preparing the accounts appropriate accounting policies have been used and applied consistently, supported by reasonable and prudent judgements, and that all accounting standards which they consider to be applicable have been followed. The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company. The Directors also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF COUNTRYSIDE MARITIME LIMITED

We have audited the accounts on pages 2 to 7 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 4.

Respective responsibilities of Directors and Auditors

As described above, the Company's Directors are responsible for the preparation of accounts. 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 our 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 30 September 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
and Registered Auditors
Southwark Towers
32 London Bridge Street
London SE1 9SY

29 January 1997