

DAWN SIDE DEVELOPMENTS LIMITED
ANNUAL REPORT
YEAR ENDED 31 AUGUST 1994



Registered Number 124035

DAWNSTIDE DEVELOPMENTS LIMITED
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YEAR ENDED 31 AUGUST 1994

CONTENTS	PAGE
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	5
BALANCE SHEET	6
NOTES AND ACCOUNTING POLICIES	7 - 10
FOR DIRECTORS ONLY	
PROFIT AND LOSS ACCOUNT	11
OVERHEAD EXPENSES	12

DAWNside DEVELOPMENTS LIMITED
DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 August 1994.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £135,937.

The directors recommend that no dividend be declared for the year.
The balance of retained profit carried to reserves totals £135,937.

PRINCIPAL ACTIVITY

The company's principal activities during the year were the leasing of a nursing home complex at Turriff to Caledonian Care Limited on a 25 year lease and the development and sale of sheltered housing.

DIRECTORS

The directors during the year and their interest in shares of the company were as follows:

	<u>At 31/8/94</u>	<u>At 31/8/93</u>
J K Donaldson	250,099	250,099
M Donaldson	1	1

STATUS

The company is a close company under the provisions of the Taxes Acts.

AUDITORS

A resolution to reappoint the auditors, Pannell Kerr Forster, will be proposed at the annual general meeting.

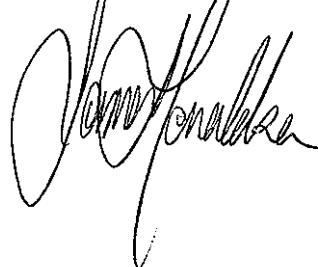
SPECIAL EXEMPTIONS

We have taken advantage in the preparation of the Directors' Report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Date

20/6/95

ON BEHALF OF THE BOARD



Director

DAWNside DEVELOPMENTS LIMITED
STATEMENT OF 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 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 keeping 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' REPORT TO THE SHAREHOLDERS OF
DAWN SIDE DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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 statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards. 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 August 1994 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.



Chartered Accountants
Registered Auditors

Aberdeen

Date *22nd June 1995*

DAWNSTIDE DEVELOPMENTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
TURNOVER	2	532,848	150,350
COST OF SALES		<u>295,473</u>	<u>-</u>
GROSS PROFIT		237,375	150,350
OVERHEAD EXPENSES		<u>4,898</u>	<u>8,616</u>
OPERATING PROFIT		232,477	141,734
INTEREST RECEIVABLE	656		1,132
INTEREST PAYABLE	<u>(59,034)</u>		<u>(62,851)</u>
		<u>(58,378)</u>	<u>(61,719)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	174,099	80,015
TAX ON ORDINARY ACTIVITIES	4	<u>38,162</u>	<u>283</u>
PROFIT FOR THE FINANCIAL YEAR	11	<u>135,937</u>	<u>79,732</u>

All amounts relate to continuing operations.

DAWNside DEVELOPMENTS LIMITED
YEAR ENDED 31 AUGUST 1994

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>1994</u> £	<u>1993</u> £
Profit for the financial year	135,937	79,732
Unrealised surplus on revaluation of properties	<u>173,148</u>	<u>-</u>
Total recognised	<u>309,085</u>	<u>79,732</u>

DAWNSTIDE DEVELOPMENTS LIMITED
BALANCE SHEET
AS AT 31 AUGUST 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
FIXED ASSETS			
Tangible assets	5	1,500,000	1,445,799
CURRENT ASSETS			
Stock	6	70,361	-
Debtors	7	45,153	49,544
Cash at bank and in hand		<u>115,283</u>	<u>-</u>
		230,797	49,544
CREDITORS - Amounts falling due within one year	8	<u>459,684</u>	<u>1,232,047</u>
NET CURRENT LIABILITIES		<u>(228,887)</u>	<u>(1,182,503)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,271,113	263,296
CREDITORS - Amounts falling due after more than one year	8	680,050	-
PROVISION FOR LIABILITIES AND CHARGES	9	<u>18,682</u>	<u>-</u>
		<u>(698,732)</u>	<u>-</u>
NET ASSETS		<u>572,381</u>	<u>263,296</u>
CAPITAL AND RESERVES			
Called up share capital	10	250,100	250,100
Revaluation reserve	11	180,883	7,735
Profit and Loss account	11	<u>141,398</u>	<u>5,461</u>
EQUITY SHAREHOLDERS' FUNDS	12	<u>572,381</u>	<u>263,296</u>

We have taken advantage in the preparation of the financial statements of the special exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

Approved by the Board on 20/6 1995

..... Director

DAWNSSIDE DEVELOPMENTS LIMITED
NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31 AUGUST 1994

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the investment property and comply with applicable accounting standards.

(b) Investment property

The investment property is shown at cost and valuation as detailed in note 5.

Furnishings and fittings are not depreciated as the nursing home is rented out under a tenants full repairing lease.

(c) Stock

Stock is stated at the lower of cost and net realisable value.

(d) Turnover

Turnover represents rent received in respect of the investment property in the year and sales of sheltered housing.

(e) Deferred taxation

Provision is made for deferred tax, using the liability method, for timing differences except where there is reasonable probability that such taxation will not become payable in the foreseeable future. Deferred taxation is computed at the rates of tax estimated to be applicable when the timing differences reverse.

2. TURNOVER

The analysis of turnover by class of business was as follows:

	<u>1994</u> £	<u>1993</u> £
Rental income from Investment property	164,000	150,350
Property disposals	<u>368,848</u>	<u>-</u>
	<u>532,848</u>	<u>150,350</u>

All turnover arose from trading in the UK.

DAWN SIDE DEVELOPMENTS LIMITED
NOTES AND ACCOUNTING POLICIES (Continued)
YEAR ENDED 31 AUGUST 1994

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1994</u> £	<u>1993</u> £
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The profit on ordinary activities before taxation is after charging:

Auditors' remuneration - audit fee	2,000	1,900
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4. TAX ON ORDINARY ACTIVITIES		
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Corporation tax on the profit for the year at 25% (1993 25%)
Deferred tax

	19,480	283
	<u>18,682</u>	-

	<u>38,162</u>	<u>283</u>
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5. FIXED ASSETS - TANGIBLE		
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	At	At
Cost/valuation	<u>31/8/94</u>	<u>31/8/93</u>
	£	£

Investment Property	1,365,213	1,311,012
Investment Property - Furnishings & Fittings	<u>134,787</u>	<u>134,787</u>

	<u>1,500,000</u>	<u>1,445,799</u>
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The historic cost of the property is £1,184,330. A valuation of the investment property including furnishings and fittings was carried out in August 1993 by Smith Milligan Chartered Surveyors. A valuation of £1.5 million was arrived at as an operational entity and having regard to trading potential. The directors are of the opinion that this value is still reasonable at 31 August 1994.

There would be a potential taxation liability of £30,400 if the property was sold at the amount of the valuation.

6. STOCKS	<u>1994</u> £	<u>1993</u> £
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Work-in-progress	70,361	-
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7. DEBTORS		
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Other debtors due within one year	17,820	22,211
Prepayments and accrued income	<u>27,333</u>	<u>27,333</u>

	<u>45,153</u>	<u>49,544</u>
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DAWNSTIDE DEVELOPMENTS LIMITED
NOTES AND ACCOUNTING POLICIES (Continued)
YEAR ENDED 31 AUGUST 1994

8. CREDITORS	<u>1994</u> £	<u>1993</u> £
Amounts falling due within one year:		
Bank overdraft (secured)	21,607	725,214
Term loan (secured)	69,878	-
Trade creditors	23,694	29,950
Corporation tax	19,480	283
Director's loan account - J K Donaldson	302,624	449,993
Accruals	<u>22,401</u>	<u>26,607</u>
	<u>459,684</u>	<u>1,232,047</u>
Amounts falling due after more than one year:		
Term loan	<u>680,050</u>	<u>-</u>

SECURITY

The bank overdraft and term loan are secured over the Turriff property and by a floating charge over all the company's assets. The lease has also been assigned to the bank.

The term loan is repayable over 13 years by a first instalment of £29,244.98 followed by 39 equal quarterly instalments of £29,244.59. Interest is calculated at 2% per annum over the banks base rate with a minimum of 6% per annum.

The term loan is repayable as follows:

	<u>1994</u> £
Within one year	69,878
Between one and two years	74,532
Between two and five years	454,071
After five years	<u>151,447</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES £
- DEFERRED TAXATION

At 1 September 1993	-
Charge to profit and loss account - in respect of accelerated capital allowances	<u>18,682</u>
At 31 August 1994	<u>18,682</u>

10. SHARE CAPITAL	<u>1994</u> £	<u>1993</u> £
Authorised: 1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, Issued and fully paid:		
250,100 ordinary shares of £1 each	<u>250,100</u>	<u>250,100</u>

DAWN SIDE DEVELOPMENTS LIMITED
NOTES AND ACCOUNTING POLICIES (Continued)
YEAR ENDED 31 AUGUST 1994

11. RESERVES	Revaluation Reserve £	Profit & Loss Account £
Balance at 1 September 1993	7,735	5,461
Profit for the Year	-	135,937
Surplus on property revaluation	<u>173,148</u>	<u>-</u>
Balance at 31 August 1994	<u>180,883</u>	<u>141,398</u>
 12. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS FUNDS		
Profit for the financial year	135,937	79,732
New share capital issued	<u>-</u>	<u>250,000</u>
	135,937	329,732
Other recognised gains related to the year	173,148	-
Balance at 1 September 1993	<u>263,296</u>	<u>(66,436)</u>
Balance at 31 August 1994	<u>572,381</u>	<u>263,296</u>