

Company Number: 1382145

**NEWSHIP GROUP LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 30 JUNE 2003**



A51  
COMPANIES HOUSE

\*AX68MQ1Y\*

0715  
14/11/03

# NEWSHIP GROUP LIMITED

## COMPANY INFORMATION

<b>Directors</b>	J W Newman A J Newman J D Clarkson
<b>Secretary</b>	R H Llewelyn
<b>Company Number</b>	1382145
<b>Registered Office</b>	Clive House 12-18 Queens Road Weybridge Surrey KT13 9XB
<b>Auditors</b>	Grant Thornton Registered Auditors Chartered Accountants The Explorer Building Fleming Way Manor Royal Crawley RH10 9GT

# NEWSHIP GROUP LIMITED

## CONTENTS

	<b>Page</b>
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
AUDITORS' REPORT	3 - 4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 11

*The following pages do not form part of the statutory accounts:*

DETAILED PROFIT AND LOSS ACCOUNT

**NEWSHIP GROUP LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 30 JUNE 2003**

The directors submit their report and the financial statements for the year ended 30 June 2003.

**Principal activity and results for the year**

The company's principal activity was the provision of management services and deriving rental income from its various properties which were acquired during the year. An investment was made in Send Group plc as detailed in note 6.

The company reports a profit for the financial year of £2,838 (2002: £12,064), which has been transferred to reserves. The directors do not recommend the payment of a dividend (2002: Nil).

**Directors**

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

	<b>Ordinary Shares of £1 each</b>	
	<b>2003</b>	<b>2002</b>
J W Newman	<b>49</b>	<b>49</b>
A J Newman	<b>17</b>	<b>17</b>
J D Clarkson	<b>-</b>	<b>-</b>

**Basis of preparation**

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

By order of the board



R H Llewelyn  
Secretary

**NEWSHIP GROUP 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

## **INDEPENDENT AUDITORS' REPORT (continued)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWSHIP GROUP LIMITED**

We have audited the financial statements of Newship Group Limited for the year ended 30 June 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 auditors' 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 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the director's report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

#### **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 judgments 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.

## INDEPENDENT AUDITORS' REPORT (continued)

### Qualified opinion arising from disagreement about accounting treatment

As stated in the accounting policies on page 8 and in note 5, fixed assets include properties which are shown at £2,847,412 being historical cost less depreciation which is being charged to the profit and loss account. The properties are investment properties, which under Statement of Standard Accounting Practice No 19, should be included in the balance sheet at open market value, no depreciation being charged to the profit and loss account. No market valuation has been obtained and the difference between depreciated historical cost and market value and the consequential adjustments to the profit and loss account cannot therefore be quantified.

Except for accounting for the investment properties as referred to above, in our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton*

Grant Thornton  
Registered Auditors  
Chartered Accountants  
Gatwick

*10th November 2003*

**NEWSHIP GROUP LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 JUNE 2003**

	Notes	2003 £	2002 £
<b>TURNOVER</b>	2	325,125	379,251
Administrative expenses		(495,496)	(480,018)
Other operating income		201,742	143,609
<b>OPERATING PROFIT</b>	3	31,371	42,842
Interest payable and similar charges		(18,585)	(21,585)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		12,786	21,257
<b>TAXATION</b>	4	(9,948)	(9,193)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,838	12,064

The above results all arise from continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.



**NEWSHIP GROUP LIMITED**  
**BALANCE SHEET**  
**30 JUNE 2003**

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible	5	2,882,726	384,667
Investments	6	2,176,061	1
		<u>5,058,787</u>	<u>384,668</u>
<b>CURRENT ASSETS</b>			
Debtors	7	961,886	832,597
Cash at bank and in hand		2,096	4,266
		<u>963,982</u>	<u>836,863</u>
<b>CREDITORS: amounts falling due within one year</b>	8	(5,853,047)	(1,040,476)
<b>NET CURRENT LIABILITIES</b>		<u>(4,889,065)</u>	<u>(203,613)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>169,722</u>	<u>181,055</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9	(128,307)	(142,478)
<b>NET ASSETS</b>		<u>41,415</u>	<u>38,577</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account	11	41,315	38,477
		<u>41,415</u>	<u>38,577</u>

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

The financial statements were approved by the board on 30 OCTOBER 2003

Signed on behalf of the board of directors



Director

The notes to the financial statements on pages 7 – 11 form part of these accounts.

**NEWSHIP GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

The principal accounting policies of the group are set out below. The policies have remained unchanged from the previous year.

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**(b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

**(c) Depreciation**

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives by equal annual instalments at the following rates:-

Freehold buildings	2 % per annum
Plant and machinery, fixtures and fittings	10-33 % per annum

Freehold land is not depreciated

**(d) Operating leases**

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred.

**(e) Investments**

Investments are stated at cost less amounts written off.

**(f) Pensions**

The company operates a defined contribution scheme providing benefits for employees additional to those from the state. The pension costs charged in the financial statements represent the contributions payable by the company during the period.

**(g) Consolidated accounts**

In accordance with Section 248(1) of the Companies Act 1985 consolidated accounts have not been prepared. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**(h) Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

**NEWSHIP GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**2 TURNOVER**

All turnover arose within the United Kingdom.

**3 OPERATING PROFIT**

The operating profit is stated after charging:

	2003	2002
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	30,673	22,917
Audit fees	9,409	5,250
	<u>          </u>	<u>          </u>

No directors received any emoluments (2002 - £NIL).

**4 TAXATION**

	2003	2002
	£	£
<b>Current year taxation</b>		
UK corporation tax	9,966	9,250
<b>Adjustments in respect of prior periods</b>		
UK corporation tax	(18)	(57)
	<u>9,948</u>	<u>9,193</u>

**5 TANGIBLE FIXED ASSETS**

	Freehold Land & buildings	Plant & machinery fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 July 2002	377,999	92,319	470,318
Additions	2,520,854	7,878	2,528,732
Disposals	-	-	-
At 30 June 2003	<u>2,898,853</u>	<u>100,197</u>	<u>2,999,050</u>
<b>Depreciation</b>			
At 1 July 2002	33,750	51,901	85,651
Charge for the year	17,691	12,982	30,673
On disposals	-	-	-
At 30 June 2003	<u>51,441</u>	<u>64,883</u>	<u>116,324</u>
<b>Net book amount</b>			
At 30 June 2003	<u>2,847,412</u>	<u>35,314</u>	<u>2,882,726</u>
At 30 June 2002	<u>344,249</u>	<u>40,418</u>	<u>384,667</u>

**NEWSHIP GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**6 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Other investments £	Total £
<b>Cost</b>			
At 1 July 2002	1	-	1
Additions	-	2,176,060	2,176,060
<b>At 30 September 2003</b>	<u>1</u>	<u>2,176,060</u>	<u>2,176,061</u>
<b>Net book amount</b>			
At 30 June 2003	<u>1</u>	<u>2,176,060</u>	<u>2,176,061</u>
At 30 June 2002	<u>1</u>	<u>-</u>	<u>1</u>

During the year the company acquired 3,908,565 ordinary shares of 25p each of Send Group plc, (incorporated in England), representing 30.8% of the issued share capital of that company. The total consideration paid was £2,176,060.

The company is not required to equity account for its investment in Send Group plc. Based on unaudited management information, the consolidated net assets of Send Group plc as at 30 June 2003 were £25,205,000. If the company were to equity account it would include £7,763,000, being its share of the consolidated net assets of Send Group plc in its balance sheet.

At 28 December 2002 Send Group plc had aggregate capital and reserves of £23,639,000, and made a loss of £4,073,000 for the year ended on that date. The audit report in respect of those financial statements was unqualified.

The company holds the following investments in subsidiary undertakings:

Name	Country of incorporation/ registration and operation	Type of share	% of nominal value of shares	Aggregate capital and reserves 2003 £	2002 £
Wilfield Ltd	Great Britain	Ordinary of £1 each	100	(667,217)	(667,217)
Sound Garden Tools Ltd	Great Britain	Ordinary of £1 each	100	1	1
J & N Enterprises Ltd	Great Britain	Ordinary of £1 each	100	64,981	64,981
British Indicators Ltd	Great Britain	Ordinary of £1 each	100	(412,240)	(412,240)
Newship Distribution Ltd	Great Britain	Ordinary of £1 each	100	100	100
Ben Turner & Sons Ltd	Great Britain	Ordinary of £1 each	100	19,486	19,486
Newship Properties Ltd	Great Britain	Ordinary of £1 each	37	11,131	11,131

All the above companies have been dormant throughout the year.

**NEWSHIP GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**7 DEBTORS**

	2003	2002
	£	£
Trade debtors	119,985	213,455
Other debtors	736,223	603,684
Other taxation and social security	105,678	15,458
	<u>961,886</u>	<u>832,597</u>

**8 CREDITORS:**

**Amounts falling due within one year**

	2003	2002
	£	£
Bank loans and overdrafts	40,627	438,812
Trade creditors	197,815	42,914
Corporation tax	9,966	9,250
Other taxation and social security	10,785	8,518
Other creditors	1,859,329	540,982
Shareholders loans	3,734,525	-
	<u>5,853,047</u>	<u>1,040,476</u>

The bank loan and overdraft are secured by a fixed charge over the properties held by the company.  
The bank loan is repayable in quarterly instalments with interest charged at 1.5% over the base rate.

**9 CREDITORS:**

**Amounts falling due after more than one year**

	2003	2002
	£	£
Bank loans	77,350	-
Other creditors	50,957	142,478
	<u>128,307</u>	<u>142,478</u>

**10 SHARE CAPITAL**

	Authorised	Allotted, called up and fully paid	
	£	No	£
At 1 July 2002 and 30 June 2003			
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

**NEWSHIP GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**11 RESERVES**

<b>Profit and loss account</b>	<b>£</b>
At 1 July 2002	38,477
Profit for the year	2,838
At 30 June 2003	<u>41,315</u>

**12 OTHER COMMITMENTS**

At 30 June 2003 the company had annual commitments under operating leases as follows:

	2003	2002
	£	£
<b>Expiry date:</b>		
Within one year	-	891
Between two and five years	<u>7,748</u>	<u>4,272</u>

**13 TRANSACTIONS WITH RELATED PARTIES**

During the year the company, in the ordinary course of business, received management fees totalling £317,500 (2002: £360,500) from companies under common control. In addition the company recharged costs of £381,127 (2002: £277,108) to companies under common control. The company purchased two investment properties totalling £1,950,000 and received £57,117 of rental income from companies under common control.

At 30 June 2003 the amounts due to and from companies under common control amounted to £1,870,423 (2002: £23,851) and £703,812 (2002: £455,051) respectively. At 30 June 2003 the amount due to J W Newman was £3,785,482 (2002: £142,477).

**14 PENSION CONTRIBUTIONS**

The pension charge for the period of £6,601 related to company contributions to employees' defined contribution pension schemes.

**15 CONTROLLING PARTIES**

The company is controlled by Mr J W Newman.