

Company Registration No. 2587041 (England and Wales)

**CHARLES DARTMOUTH PLC**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2001**



# CHARLES DARTMOUTH PLC

## COMPANY INFORMATION

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<b>Directors</b>	C J Dartmouth M Dartmouth
<b>Secretary</b>	M C Dartmouth
<b>Company number</b>	2587041
<b>Registered office</b>	Norgar House 10 East Street Fareham Hampshire PO16 0BN
<b>Auditors</b>	RJG Palmer Gardner Chartered Accountants 10 East Street Fareham Hampshire PO16 0BN

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# CHARLES DARTMOUTH PLC

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# CHARLES DARTMOUTH PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2001

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The directors present their report and financial statements for the year ended 31 August 2001.

### Principal activities and review of the business

The principal activity of the company is the holding of investment property.

The company has carried on business satisfactorily during the year. The directors anticipate an improvement in profitability next year.

### Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

### Market value of land and buildings

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

### Directors

The following directors have held office since 1 September 2000:

C J Dartmouth  
M Dartmouth

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 August 2001	1 September 2000
C J Dartmouth	80,000	80,000
M Dartmouth	20,000	20,000

### Charitable contributions

During the year the company made political donations amounting to £- (2000: £-).

During the year the company made charitable donations of £1,373 (2000: £387).

### Creditors payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 125 (2000: 128) days' purchases.

### Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that RJG Palmer Gardner be reappointed as auditors of the company will be put to the Annual General Meeting.

# CHARLES DARTMOUTH PLC

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

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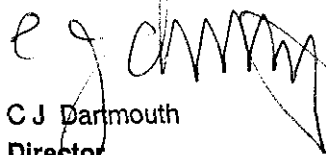
### Directors' responsibilities

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 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.

On behalf of the board



C J Dartmouth

Director

27 March 2002

# CHARLES DARTMOUTH PLC

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLES DARTMOUTH PLC

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We have audited the financial statements of CHARLES DARTMOUTH PLC on pages 4 to 16 for the year ended 31 August 2001. 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 herein.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 2 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 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**RJG Palmer Gardner**  
**Registered Auditor**  
**Chartered Accountants**



Chartered Accountants  
10 East Street  
Fareham  
Hampshire  
PO16 0BN

# CHARLES DARTMOUTH PLC

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Turnover	2	290,832	234,251
Administrative expenses		(61,179)	(61,459)
Other operating income		-	17,718
<b>Operating profit</b>	<b>3</b>	<b>229,653</b>	<b>190,510</b>
Other interest receivable and similar income		279	87
Interest payable and similar charges	4	(212,530)	(177,698)
<b>Profit on ordinary activities before taxation</b>		<b>17,402</b>	<b>12,899</b>
Tax on profit on ordinary activities	5	(28)	-
<b>Profit on ordinary activities after taxation</b>	<b>13</b>	<b>17,374</b>	<b>12,899</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# CHARLES DARTMOUTH PLC

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 AUGUST 2001

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	2001 £	2000 £
Profit for the financial year	17,374	12,899
Unrealised surplus on revaluation of properties	127,625	43,667
Total recognised gains and losses relating to the year	<u>144,999</u>	<u>56,566</u>



# CHARLES DARTMOUTH PLC

## BALANCE SHEET AS AT 31 AUGUST 2001

	Notes	2001 £	£	2000 £	£
<b>Fixed assets</b>					
Tangible assets	6		3,057,602		2,868,311
<b>Current assets</b>					
Stocks	7	-		3,005	
Debtors	8	22,727		26,986	
Cash at bank and in hand		28,448		22,405	
		<u>51,175</u>		<u>52,396</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,449,202)</u>		<u>(129,736)</u>	
<b>Net current liabilities</b>			<u>(2,398,027)</u>		<u>(77,340)</u>
<b>Total assets less current liabilities</b>			659,575		2,790,971
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(89,670)</u>		<u>(2,366,065)</u>
			<u>569,905</u>		<u>424,906</u>
<b>Capital and reserves</b>					
Called up share capital	12		100,000		100,000
Revaluation reserve	13		577,859		450,234
Profit and loss account	13		<u>(107,954)</u>		<u>(125,328)</u>
<b>Shareholders' funds - equity interests</b>	14		<u>569,905</u>		<u>424,906</u>

The financial statements were approved by the Board on 27 March 2002

  
C J Dartmouth  
Director

# CHARLES DARTMOUTH PLC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2001

	2001 £	2000 £
<b>Net cash inflow from operating activities</b>	259,164	254,608
<b>Returns on investments and servicing of finance</b>		
Interest received	279	87
Interest paid	(212,530)	(176,485)
<b>Net cash outflow for returns on investments and servicing of finance</b>	(212,251)	(176,398)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(134,077)	(414,936)
Receipts from sales of tangible assets	60,000	13,109
<b>Net cash outflow for capital expenditure</b>	(74,077)	(401,827)
<b>Net cash outflow before management of liquid resources and financing</b>	(27,164)	(323,617)
<b>Financing</b>		
New long term bank loan	-	563,104
Other new short term loans	345,000	-
Repayment of long term bank loan	(31,910)	(2,080)
Repayment of other long term loans	(288,731)	(191,146)
Capital element of hire purchase contracts	8,848	(16,974)
<b>Net cash inflow from financing</b>	33,207	352,904
<b>Increase in cash in the year</b>	6,043	29,287

# CHARLES DARTMOUTH PLC

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2001

1 Reconciliation of operating profit to net cash inflow from operating activities		2001	2000
		£	£
Operating profit		229,653	190,510
Depreciation of tangible assets		12,411	9,340
Loss on disposal of tangible assets		-	5,080
Decrease/(increase) in stocks		3,005	(3,005)
Decrease in debtors		4,259	3,624
Increase in creditors within one year		9,836	49,059
<b>Net cash inflow from operating activities</b>		<b>259,164</b>	<b>254,608</b>

2 Analysis of net debt	1 September 2000	Cash flow	Other non-cash changes	31 August 2001
	£	£	£	£
Net cash:				
Cash at bank and in hand	22,405	6,043	-	28,448
Debt:				
Finance leases	(12,154)	(8,849)	-	(21,003)
Debts falling due within one year	-	(2,305,000)	-	(2,305,000)
Debts falling due after one year	(2,357,950)	2,280,642	-	(77,308)
	(2,370,104)	(33,207)	-	(2,403,311)
<b>Net debt</b>	<b>(2,347,699)</b>	<b>(27,164)</b>	<b>-</b>	<b>(2,374,863)</b>

3 Reconciliation of net cash flow to movement in net debt	2001	2000
	£	£
Increase in cash in the year	6,043	29,287
Cash inflow from increase in debt and lease financing	(33,207)	(366,000)
<b>Movement in net debt in the year</b>	<b>(27,164)</b>	<b>(336,713)</b>
Opening net debt	(2,347,699)	(2,010,986)
<b>Closing net debt</b>	<b>(2,374,863)</b>	<b>(2,347,699)</b>

# CHARLES DARTMOUTH PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The financial statements have been prepared on a going concern basis. In evaluating the suitability of this basis reliance has been placed on an offer from Anglo Irish Bank to renew the loan facilities of £2,305,000 which are scheduled for repayment on 25 May 2002.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents rents receivable net of VAT.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	nil
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

#### 1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Turnover

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

# CHARLES DARTMOUTH PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

<b>3</b>	<b>Operating profit</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	12,411	9,340
	Operating lease rentals	7,500	1,263
	Auditors' remuneration	5,000	4,500
	Remuneration of auditors for non-audit work	4,823	619
		<u>          </u>	<u>          </u>
 <b>4</b>	 <b>Interest payable</b>	 <b>2001</b>	 <b>2000</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	345	-
	On other loans wholly repayable within 5 years	208,030	171,938
	On loans repayable after 5 years	2,951	3,143
	Hire purchase interest	1,204	1,361
	On overdue tax	-	43
	Other interest	-	1,213
		<u>          </u>	<u>          </u>
		212,530	177,698
		<u>          </u>	<u>          </u>
 <b>5</b>	 <b>Taxation</b>	 <b>2001</b>	 <b>2000</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year taxation</b>		
	U.K. corporation tax	28	-
		<u>          </u>	<u>          </u>

The company has estimated losses of £104,862 (2000- £124,312) available for carry forward against future trading profits.

# CHARLES DARTMOUTH PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

### 6 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 September 2000	2,837,000	26,203	29,436	2,892,639
Additions	112,375	3,661	18,041	134,077
Revaluation	127,625	-	-	127,625
Disposals	(60,000)	-	-	(60,000)
At 31 August 2001	3,017,000	29,864	47,477	3,094,341
<b>Depreciation</b>				
At 1 September 2000	-	13,042	11,286	24,328
Charge for the year	-	3,364	9,047	12,411
At 31 August 2001	-	16,406	20,333	36,739
<b>Net book value</b>				
At 31 August 2001	3,017,000	13,458	27,144	3,057,602
At 31 August 2000	2,837,000	13,161	18,150	2,868,311

### Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
At 1 September 2000	2,386,766
Additions	65,832
At 31 August 2001	2,452,598
<b>Depreciation based on cost</b>	
At 1 September 2000	-
Charge for the year	-
At 31 August 2001	-
<b>Net book value</b>	
At 31 August 2001	2,452,598
At 31 August 2000	2,386,766

# CHARLES DARTMOUTH PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

### 6 Tangible fixed assets

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 August 2001	22,584
At 31 August 2000	12,071
<b>Depreciation charge for the year</b>	
31 August 2001	7,528
31 August 2000	4,024

The company's properties were valued by Chestertons on 28 January 2002, on the basis of open market value for current use. The freehold investment properties have not been depreciated in accordance with SSAP 19 in order to show a true and fair view. However, this is a departure from the requirements of the Companies Act 1985.

### 7 Work in progress

2001  
£

2000  
£

Work in progress	-	3,005
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### 8 Debtors

2001  
£

2000  
£

Trade debtors	22,587	14,846
Other debtors	140	12,140
	22,727	26,986

# CHARLES DARTMOUTH PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

9	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank loans and overdrafts	2,305,000	-
	Net obligations under hire purchase contracts	8,641	4,039
	Trade creditors	15,867	13,213
	Corporation tax	28	-
	Other taxes and social security costs	20,058	9,079
	Directors' current accounts	5,564	5,564
	Other creditors	59,680	70,537
	Accruals and deferred income	34,364	27,304
		<u>2,449,202</u>	<u>129,736</u>

The bank loan is secured by way of a debenture which incorporates a first legal charge over the company's freehold properties and other properties at East Street, Fareham and Boxgrove Lane, Guildford. The property at East Street, Fareham is owned by Mr C Dartmouth, a director of the company. The property at Boxgrove Lane, Guildford is owned by Sheriol 101 Ltd a company in which Mrs B Dartmouth is a director and majority shareholder. Mrs B Dartmouth is also a shareholder in Charles Dartmouth plc and wife of the director Mr C Dartmouth.



# CHARLES DARTMOUTH PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

10 Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loans	-	1,991,911
Directors loan account	77,308	366,039
Net obligations under hire purchase contracts	12,362	8,115
	<u>89,670</u>	<u>2,366,065</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	2,382,308	2,357,950
	<u>2,382,308</u>	<u>2,357,950</u>
Included in current liabilities	(2,305,000)	-
	<u>77,308</u>	<u>2,357,950</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	-	1,962,081
In more than two years but not more than five years	-	6,240
In more than five years	-	23,590
	<u>-</u>	<u>1,991,911</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	10,194	5,037
Repayable between one and five years	13,232	8,814
	<u>23,426</u>	<u>13,851</u>
Finance charges and interest allocated to future accounting periods	(2,423)	(1,697)
	<u>21,003</u>	<u>12,154</u>
Included in liabilities falling due within one year	(8,641)	(4,039)
	<u>12,362</u>	<u>8,115</u>

The directors' loan account is secured by way of a second charge over the freehold land and buildings.

# CHARLES DARTMOUTH PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

### 11 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2001	Not provided 2000	2001	Provided 2000
	£	£	£	£
Accelerated capital allowances	749	685	-	-
Tax losses available	(20,972)	(2,486)	-	-
	<u>(20,223)</u>	<u>(1,801)</u>	<u>-</u>	<u>-</u>

### 12 Share capital

	2001	2000
	£	£
<b>Authorised</b>		
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>

### 13 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 September 2000	450,234	(125,328)
Retained profit for the year	-	17,374
Revaluation during the year	<u>127,625</u>	<u>-</u>
Balance at 31 August 2001	<u>577,859</u>	<u>(107,954)</u>

### 14 Reconciliation of movements in shareholders' funds

	2001	2000
	£	£
Profit for the financial year	17,374	12,899
Other recognised gains and losses	<u>127,625</u>	<u>43,667</u>
Net addition to shareholders' funds	144,999	56,566
Opening shareholders' funds	<u>424,906</u>	<u>368,340</u>
Closing shareholders' funds	<u>569,905</u>	<u>424,906</u>

# CHARLES DARTMOUTH PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

### 15 Financial commitments

At 31 August 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001	2000
	£	£
Expiry date:		
In over five years	-	1,960

### 16 Transactions with directors

One of the company's properties is let to 1st Delta Limited at a commercial rent. M Dartmouth, a director, is a director and shareholder in 1st Delta Limited. The rent receivable from 1st Delta Limited during the year was £10,000 (2000: £10,000) and included in trade debtors is an amount of £955 (2000: £1,103) due from that company.

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Administration	1	1
<b>Employment costs</b>		
	£	£
Wages and salaries	2,593	9,538

### 18 Control

The ultimate controlling party is C Dartmouth, a director of the company, by virtue of the shareholdings held by members of his immediate family.