

CHARLES DARTMOUTH plc

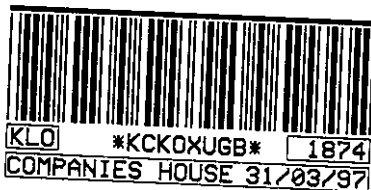
Company No: 2587041

CHARLES DARTMOUTH plc

FINANCIAL STATEMENTS

- for the year ended -

31 AUGUST 1996



CHARLES DARTMOUTH plc

DIRECTOR

C J Dartmouth

SECRETARY

M C Dartmouth

REGISTERED OFFICE

Old Waterworks Building
Salterns Lane
Fareham
Hampshire

AUDITORS

RJG Palmer Gardner
Registered Auditor
11 The Spinney
Parklands Business Park
Denmead, Hampshire

CHARLES DARTMOUTH plc

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CHARLES DARTMOUTH plc

REPORT OF THE DIRECTOR

The director presents his report and the audited financial statements for the year ended 31 August 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The company has carried on business satisfactorily during the year.

DIVIDEND AND TRANSFER TO RESERVES

The director does not recommend payment of a dividend.

It is proposed that the loss of £28,516 is transferred to reserves.

FIXED ASSETS

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

DIRECTOR AND HIS INTERESTS

The director at the balance sheet date and his interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1996</u>	<u>1995</u>
C J Dartmouth	Ordinary shares	50,000	50,000

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

CHARITABLE CONTRIBUTIONS

During the year the company made various charitable contributions totalling £1,336.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

CHARLES DARTMOUTH plc

REPORT OF THE DIRECTOR (Continued)

AUDITORS

The auditors, RJG Palmer Gardner, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board

Date: 28 March 1997

M C Dartmouth
Secretary

A handwritten signature in black ink, appearing to be 'M C Dartmouth', written over the printed name and title.

CHARLES DARIMOUTH plc

AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLES DARIMOUTH plc

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the director and auditors

As described in the Director's Report the company director is 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 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 director 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 full 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 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RJG PALMER GARDNER
Registered Auditor

**11 The Spinney
Parklands Business Park
Denmead, Hampshire**

Date: 28 March 1997

CHARLES DARIMOUTH plc

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1996

	Notes	1996 £	1995 £
TURNOVER		159,160	164,392
Cost of sales		-	(20,676)
GROSS PROFIT		159,160	143,716
Administrative expenses		(84,581)	(95,475)
		74,579	48,241
Other operating income		3,737	4,071
OPERATING PROFIT	3	78,316	52,312
Interest payable	4	(106,832)	(95,823)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(28,516)	(43,511)
Tax on loss on ordinary activities	5	-	2,762
LOSS FOR THE FINANCIAL YEAR	15	(28,516)	(40,749)

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 8 to 16 form part of these financial statements.

CHARLES DARTMOUTH plc

OTHER PRIMARY STATEMENT FOR THE YEAR ENDED 31 AUGUST 1996

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1996 £	1995 £
LOSS FOR THE FINANCIAL YEAR 14	(28,516)	(40,749)
Unrealised movement on revaluation of properties	256,453	-
	<u>227,937</u>	<u>(40,749)</u>
TOTAL NET GAINS RECOGNISED SINCE LAST ANNUAL REPORT	<u>227,937</u>	<u>(40,749)</u>

CHARLES DARTMOUTH plc**BALANCE SHEET AT 31 AUGUST 1996**

	Notes	£	1996 £	1995 £	£
FIXED ASSETS					
Tangible assets	6		1,760,532		1,492,204
Investments	7		17,527		-
			<u>1,778,059</u>		<u>1,492,204</u>
CURRENT ASSETS					
Debtors	8	46,560		8,110	
Cash at bank and in hand		6,016		2,593	
		<u>52,576</u>		<u>10,703</u>	
CREDITORS: Amounts falling due within one year	9	(70,343)		(46,940)	
NET CURRENT LIABILITIES			<u>(17,767)</u>		<u>(36,237)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,760,292		1,455,967
CREDITORS: Amounts falling due after more than one year	10		(1,517,816)		(1,441,428)
			<u>242,476</u>		<u>14,539</u>
CAPITAL AND RESERVES					
Called up share capital	13		50,000		50,000
Revaluation reserve	14		256,453		-
Profit and loss account	15		(63,977)		(35,461)
			<u>242,476</u>		<u>14,539</u>

The financial statements were approved
by the board on 28 March 1997 and
signed on its behalf by

C J Dartmouth

 Director

The notes on pages 8 to 16 form part of these financial statements.

CHARLES DARTMOUTH plc**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 1996**

	Notes	1996 £	1995 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	133,093	167,397
Return on investments and servicing of finance:			
Interest paid		(97,330)	(94,960)
Interest element on hire purchase contracts		<u>(1,271)</u>	<u>(863)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(98,601)	(95,823)
Investing activities:			
Purchase of tangible fixed assets		(15,146)	(407,413)
Purchase of other investments		(1)	-
Purchase of loans made (other than cash equivalents)		<u>(17,526)</u>	<u>-</u>
NET CASHFLOW FROM INVESTING ACTIVITIES		(32,673)	(407,413)
NET CASH INFLOW BEFORE FINANCING		<u>1,819</u>	<u>(335,839)</u>
Financing:			
Receipts from other long term loans		(293,695)	(754,432)
Receipts of capital from hire purchase contracts		-	(13,682)
Repayment of other long term loans		287,424	426,358
Repayment of capital on hire purchase contracts		<u>3,015</u>	<u>1,425</u>
NET CASH INFLOW FROM FINANCING		(3,256)	(340,331)
INCREASE IN CASH AND CASH EQUIVALENTS	18	<u>5,075</u>	<u>4,492</u>
		<u>1,819</u>	<u>(335,839)</u>

The notes on pages 8 to 16 form part of these financial statements.

CHARLES DARTMOUTH plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis. In evaluating the suitability of this basis reliance has been placed upon an undertaking given by the director, Mr C J Dartmouth, to refrain from demanding payment of monies owed to him by the company amounting to £469,162 until such time as the company is in a position to make repayment.

1.2 TURNOVER

Turnover represents the total rents receivable during the year and Sales invoiced during the year, net of Value Added Tax.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	20% Reducing balance
Motor vehicles	25% Reducing balance

1.4 INVESTMENT PROPERTIES

The freehold land and buildings have been valued by the Director on the basis of open market value for current use at the balance sheet date.

1.5 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

2. TURNOVER

Analysis by:-

Class of business

Sales

Rent receivable

1996 £	1995 £
-	25,966
159,160	138,426
<u>159,160</u>	<u>164,392</u>

CHARLES DARTMOUTH plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

3. OPERATING PROFIT	1996	1995
	£	£
The operating profit is stated after charging:-		
Depreciation	3,271	4,247
Auditors' remuneration	3,000	3,000
Non-audit services	10,100	11,849
Operating lease rentals:-		
Land and buildings	-	2,000
and after crediting:-		
Government grants	2,423	-
	<hr/> <hr/>	<hr/> <hr/>
4. INTEREST PAYABLE	1996	1995
	£	£
On bank loans and overdrafts and on loans repayable in full within five years	101,873	140
On other loans	3,688	94,820
Hire purchase interest	1,271	863
	<hr/> <hr/>	<hr/> <hr/>
	106,832	95,823
	<hr/> <hr/>	<hr/> <hr/>
5. TAX ON LOSS ON ORDINARY ACTIVITIES	1996	1995
	£	£
The taxation charge based on the loss before tax comprises:-		
U.K. corporation tax at 25% (1995 - 25%)	-	(2,762)
	<hr/> <hr/>	<hr/> <hr/>
	-	(2,762)
	<hr/> <hr/>	<hr/> <hr/>

CHARLES DARTMOUTH plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

6. TANGIBLE ASSETS

	Land and buildings £	Fixtures & fittings £	Motor vehicles £	Total £
<u>Cost or valuation</u>				
At 1 September 1995	1,479,038	2,123	15,290	1,496,451
Additions	14,826	320	-	15,146
Revaluation in year	256,453	-	-	256,453
	<u>1,750,317</u>	<u>2,443</u>	<u>15,290</u>	<u>1,768,050</u>
<u>Depreciation</u>				
At 1 September 1995	-	425	3,822	4,247
Charge for year	-	404	2,867	3,271
	<u>-</u>	<u>829</u>	<u>6,689</u>	<u>7,518</u>
<u>Net book value at 31 August 1996</u>	<u>1,750,317</u>	<u>1,614</u>	<u>8,601</u>	<u>1,760,532</u>
<u>Net book value at 31 August 1995</u>	<u>1,479,038</u>	<u>1,698</u>	<u>11,468</u>	<u>1,492,204</u>
			<u>1996</u>	<u>1995</u>
			£	£
Analysis of net book value of land and buildings:				
Freehold			<u>1,750,317</u>	<u>1,479,038</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

The company's property in Petersfield, Hampshire was revalued by Chestertons on 28 November 1996 at £850,000. It had previously been included in the accounts at its cost of £613,547. Delta House, Fareham, Hampshire was revalued by the Director at £350,000 on 31 August 1996. It had previously been included in the accounts at its cost of £330,000. All other properties are included at cost which in the Directors opinion is not materially different to their market value at 31 August 1996.

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.

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

	1996 £	1995 £
Net book values:		
Motor vehicles	8,601	11,468
	<u>8,601</u>	<u>11,468</u>
Depreciation charge for the year:		
Motor vehicles	2,867	3,822
	<u>2,867</u>	<u>3,822</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

CHARLES DARIMOUTH plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

7. INVESTMENTS - OTHER

<u>Cost or valuation:</u>	<u>Beginning of year £</u>	<u>Additions £</u>	<u>End of year £</u>
Loans:			
-Participating interest	-	17,526	17,526
Other investments other than loans	-	1	1
	-	17,527	17,527
<u>Net book value</u>	-		17,527
<u>Other investments other than loans</u>	<u>1996</u>	<u>1995</u>	
	<u>Cost £</u>	<u>Cost £</u>	
Unlisted	1	-	

The company owns 50% of the issued share capital of Cosmopolitan Properties Limited, an investment property company. The company has loaned Cosmopolitan Properties Limited £17526 in order to invest in Freehold Property. Cosmopolitan Properties Limited is a company incorporated in England.

8. DEBTORS

	<u>1996 £</u>	<u>1995 £</u>
Trade debtors	46,560	5,058
Other debtors	-	3,052
	<u>46,560</u>	<u>8,110</u>

CHARLES DARTMOUTH plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1996 £	1995 £
Bank loans and overdrafts	5	3,157
Trade creditors	15,444	6,429
Taxes and social security costs	11,247	-
Net obligations under finance lease and hire purchase contracts	3,772	3,310
Director's current account	9,564	15,000
Other creditors	-	50
Accruals and deferred income	30,311	18,994
	<u>70,343</u>	<u>46,940</u>
 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	 1996 £	 1995 £
Loans	1,043,184	1,035,413
Net obligations under finance leases and hire purchase contracts	5,470	8,947
Directors loan account	469,162	397,068
	<u>1,517,816</u>	<u>1,441,428</u>

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

CHARLES DARTMOUTH plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

11. BORROWINGS	1996 £	1995 £
<u>The company's borrowings are repayable as follows:</u>		
In one year, or less or on demand	-	1,500
Between one and two years	1,006,122	4,000
Between two and five years	-	7,000
In five years or more	37,063	1,024,414
	<u>1,043,185</u>	<u>1,036,914</u>
<u>Borrowings: amounts due after five years:</u>		
Repayable by instalments:		
Citibank mortgage advanced November 1992, replaced by Anglo Irish loan in December 1995, term as below.	-	284,615
Lloyds Bank plc mortgage advanced on 25 October 1994, term 15 years.	37,063	38,372
Not repayable by instalments:		
Anglo Irish Bankcorp mortgage, repayable in full on 7 March 1998.	1,006,122	713,927
	<u>1,043,185</u>	<u>1,036,914</u>
Amounts due within five years	<u>1,006,122</u>	<u>12,500</u>
Instalments not due within five years	<u>37,063</u>	<u>1,024,414</u>

Details of security:

The loans are secured by a first legal charge over the freehold properties and a debenture over the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

12. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	1996 £	1995 £
<u>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</u>		
In one year, or less or on demand	4,375	4,675
Between one and two years	4,375	4,675
Between two and five years	1,820	5,506
	<u>10,570</u>	<u>14,856</u>
Finance charges and interest allocated to future accounting periods	(1,328)	(2,599)
	<u>9,242</u>	<u>12,257</u>
Included in current liabilities	(3,772)	(3,310)
	<u>5,470</u>	<u>8,947</u>
13. SHARE CAPITAL	1996 £	1995 £
<u>Authorised</u>		
Equity interests:		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
14. REVALUATION RESERVE	1996 £	1995 £
Released during the year	256,453	-
Balance at 31 August 1996	<u>256,453</u>	<u>-</u>
15. PROFIT AND LOSS ACCOUNT	1996 £	1995 £
Accumulated losses at 1 September 1995	(35,461)	5,288
Loss for the financial year	(28,516)	(40,749)
Accumulated losses at 31 August 1996	<u>(63,977)</u>	<u>(35,461)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Loss for the financial year	(28,516)	(40,749)
Other recognised gains and losses relating to the year (net)	256,453	-
Net addition to shareholders' funds	227,937	(40,749)
Shareholders' funds at 1 September 1995	14,539	55,288
Shareholders' funds at 31 August 1996	242,476	14,539
Represented by:-		
Equity interests	242,476	14,539
	242,476	14,539

17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996 £	1995 £
Operating profit	78,316	52,312
Depreciation	3,271	4,247
Increase in debtors	(38,450)	(7,101)
Increase in creditors due within one year	17,862	(25,898)
Deferral of directors loan account	72,094	143,838
	133,093	167,397

CHARLES DARTMOUTH plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1996 £	1995 £
Cash at bank and in hand at 1 September 1995	2,593	2,710
Cash at bank and in hand at 31 August 1996	6,016	2,593
Net movement	3,423	(117)
Bank overdraft at 1 September 1995	(1,657)	(6,266)
Bank overdraft at 31 August 1996	(5)	(1,657)
Net movement	1,652	4,609
Total net movements	5,075	4,492