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# DAWCASTLE LIMITED

## REPORT AND FINANCIAL STATEMENTS

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◆ 30 June 1999 ◆

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COMPANIES HOUSE 25/01/00

COMPANY NO: 3074846

## DAWCASTLE LIMITED

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## DAWCASTLE LIMITED

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### COMPANY INFORMATION

Directors                   A L Cohen  
                              B A Foreman  
                              S H Walters (appointed 28<sup>th</sup> June 1999)

Secretary                 B A Foreman

Registered office        Lynton House  
                              5 Stanmore Hill  
                              Stanmore  
                              Middlesex  
                              HA7 3DP

Registered number       3074846

Auditors                 RSM Robson Rhodes  
                              Chartered Accountants  
                              Selden Hill  
                              Bryanston Court  
                              Hemel Hempstead  
                              Herts HP2 4TN

Bankers                 National Westminster Bank  
                              Hanley  
                              Stoke-on-Trent ST1 3JJ

**REPORT OF THE DIRECTORS**

The directors present their report together with the audited accounts for the year to 30 June 1999.

**Principal activities**

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

**Results and dividend**

The results for the period are set out in detail on page 5. The directors do not recommend the payment of a dividend.

**Directors**

The directors at the date of this report are disclosed on page 1.

The directors held no beneficial interests in the company's shares throughout the year.

The directors' interests in the shares of the parent company are disclosed in that companies accounts.

**Directors' responsibilities for financial statements**

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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

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.

**REPORT OF THE DIRECTORS**  
**(Continued)**

**Millennium Transition**

The directors have considered the risks of the potential problems in the processing of data or operation of electronic equipment affected by the transition from 1999 to 2000. In their opinion they are taking reasonable steps to ensure that the company is prepared for the transition. The costs associated with this transition are not considered significant.


**Auditors**

The auditors changed their name to RSM Robson Rhodes on 18 October 1999 and accordingly have signed the audit report using their new name. They are willing to continue in office. They are expected to be deemed to be reappointed in accordance with the elective resolution currently in force.

**Approval**

Advantage has been taken 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.

The report by the directors was approved by the Board on 21 December 1999 and signed on its behalf by:



Barry Anthony Foreman  
Secretary

## DAWCASTLE LIMITED

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### AUDITORS' REPORT TO THE SHAREHOLDERS OF DAWCASTLE LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of 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 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 affairs of the company at 30 June 1999 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.

*RSM Robson Rhodes*

RSM Robson Rhodes

Chartered Accountants and Registered Auditor

Hemel Hempstead

*21 December 1999*

**DAWCASTLE LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 30 June 1999**

	Note	1999 £	1998 £
<b>Turnover - continuing operations</b>	1	257,721	228,963
		<hr/>	<hr/>
<b>Gross profit</b>		257,721	228,963
Administrative expenses		(18,882)	(4,047)
		<hr/>	<hr/>
<b>Operating profit - continuing operations</b>	2	238,839	224,916
Interest payable	4	(78,552)	(86,361)
Interest receivable	5	12,964	5,816
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		173,251	144,371
Taxation on profit on ordinary activities	6	(54,000)	(44,755)
		<hr/>	<hr/>
<b>Retained profit for the financial period</b>	14	119,251	99,616
		<hr/> <hr/>	<hr/> <hr/>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the year ended 30 June 1999**

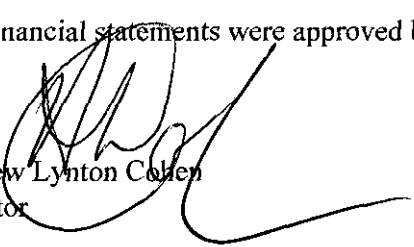
	1999 £	1998 £
Profit for the financial year	119,251	99,616
Unrealised (deficit)/surplus on property revaluation	(229,250)	300,000
	<hr/>	<hr/>
<b>Total recognised (losses)/gains</b>	(109,999)	399,616
	<hr/> <hr/>	<hr/> <hr/>

**DAWCASTLE LIMITED****BALANCE SHEET**  
**at 30 June 1999**

	Note	1999 £	1998 £
<b>Fixed assets</b>			
Tangible assets	7	2,100,000	2,300,000
<b>Current assets</b>			
Debtors	8	291,020	192,585
Cash at bank		28,853	112,477
		319,873	305,062
<b>Creditors: Amounts falling due within one year</b>	9	(1,456,359)	(1,531,549)
<b>Net current liabilities</b>		(1,136,486)	(1,226,487)
<b>Total assets less current liabilities</b>		963,514	1,073,513
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Investment revaluation reserve	14	573,651	802,901
Profit and loss account	14	389,861	270,610
<b>Shareholders' funds - equity</b>	13	963,514	1,073,513

Advantage has been taken in the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the Company qualifies as a small company.

The financial statements were approved by the Board on 21/12 1999 and signed on its behalf by:



Andrew Lynton Cohen  
Director



**NOTES TO THE FINANCIAL STATEMENTS**

**30 June 1999**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain land and buildings.

**Turnover**

Turnover represents the rent receivable during the period, excluding Value Added Tax.

**Depreciation**

The only tangible fixed assets held were investment properties, on which no depreciation is provided.

**Taxation**

The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Group undertakings are able to relieve their taxable losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of this group that such losses will be paid for by the recipient company. Where there is reasonable certainty that taxable losses can be relieved, the group relief receivable or payable is included in the taxation charge or credit for the period.

**Investment properties**

Investment properties are included in the balance sheet at cost from the date of exchange of contracts, or subsequent revaluation.

**2. OPERATING PROFIT**

Operating profit is arrived at after charging:

	1999 £	1998 £
Auditors' remuneration	-	-
	<u>          </u>	<u>          </u>

**3. EMPLOYEES INFORMATION (INCLUDING DIRECTORS)**

There were no employees during the period.

The directors received no remuneration during the period.

**DAWCASTLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 June 1999****4. INTEREST PAYABLE**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Interest payable on bank loans and overdrafts repayable in instalments	78,552	86,361

**5. INTEREST RECEIVABLE**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Interest receivable - on bank balances	2,104	2,753
- on group balances	10,860	3,063
	12,964	5,816

**6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Taxation charge for the year</b>		
UK corporation tax	54,000	-
Amount payable to subsidiary undertaking in respect of tax saved by group relief	-	44,755
	54,000	44,755

**DAWCASTLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 June 1999****7. TANGIBLE FIXED ASSETS - INVESTMENT PROPERTIES**

	<b>Freehold land and buildings £</b>
<b>Cost or valuation</b>	
At 1 July 1998	2,300,000
Additions	29,250
Revaluation	(229,250)
	<hr/>
At 30 June 1999	2,100,000
	<hr/>
<b>Net book value</b>	
At 30 June 1999	2,100,000
	<hr/>
At 30 June 1998	2,300,000
	<hr/>

The freehold land and buildings are held as investment properties. The directors revalued the properties to market value at 30 June 1999.

**8. DEBTORS**

	<b>1999 £</b>	<b>1998 £</b>
Amounts owed by group undertakings	218,649	107,789
Other debtors	70,985	81,709
Prepayments	1,386	3,087
	<hr/>	<hr/>
	291,020	192,585
	<hr/>	<hr/>

**DAWCASTLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 June 1999****9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 10)	1,000,953	1,000,000
Amounts owed to group undertaking	258,630	388,721
Group relief payable	44,755	44,755
Corporation tax	54,000	-
Other taxes and social security	27,821	10,442
Other creditors	70,200	87,631
	<u>1,456,359</u>	<u>1,531,549</u>

**10. DEBT ANALYSIS**

The above debt is repayable as follows:	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Debt due within one year	1,000,953	1,000,000
	<u>1,000,953</u>	<u>1,000,000</u>

The loan is secured by a legal mortgage over the assets of the Company. The company also acts, with certain other group companies, as guarantor in respect of loans made to Group companies.

The bank loan is repayable on demand, although payment is expected to be made in accordance with the repayment schedule detailing quarterly instalments.

**11. PROVISION FOR LIABILITIES AND CHARGES**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Deferred taxation at comprises:</b>		
<b>Provided</b>	-	-
	<u>-</u>	<u>-</u>
<b>Unprovided</b>		
Tax on potential capital gain	125,000	210,000
	<u>125,000</u>	<u>210,000</u>

**DAWCASTLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 June 1999****12. CALLED UP SHARE CAPITAL**

	<b>1999</b> <b>£</b>	<b>1998</b> <b>£</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

**13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**

	<b>1999</b> <b>£</b>	<b>1998</b> <b>£</b>
Total recognised gains	(109,999)	399,616
Opening shareholders' funds	1,073,513	673,897
	<u>          </u>	<u>          </u>
Closing shareholders' funds	963,514	1,073,513
	<u>          </u>	<u>          </u>

**14. RESERVES**

	<b>Investment revaluation reserve</b> <b>£</b>	<b>Profit and loss</b> <b>£</b>
At 1 July 1998	802,901	270,610
Retained profit for the year	-	119,251
Revaluation in the year	(229,250)	-
	<u>          </u>	<u>          </u>
At 30 June 1999	573,651	389,861
	<u>          </u>	<u>          </u>

**15. TRANSACTIONS WITH DIRECTORS**

There were no transactions with directors during the period.

**NOTES TO THE FINANCIAL STATEMENTS**

**30 June 1999**

**16. ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent undertaking is Andrew Lynton Holdings Limited, a company registered in England. Copies of the Group accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.