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# DAWCASTLE LIMITED

## REPORT AND FINANCIAL STATEMENTS

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◆ 30 June 1998 ◆

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COMPANY NO: 3074846



# DAWCASTLE LIMITED

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## DAWCASTLE LIMITED

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### COMPANY INFORMATION

Directors	A L Cohen B A Foreman
Secretary	B A Foreman
Registered office	Lynton House 5 Stanmore Hill Stanmore Middlesex HA7 3DP
Registered number	3074846
Auditors	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 1998.

**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. J A Lewis resigned as a director on 31 January 1998. W D Miskin resigned as a director on 6 May 1998. B A Foreman was appointed a director on 6 May 1998. The other director served throughout the year.

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**

Robson Rhodes have expressed their willingness to continue in office as auditors and a resolution for their reappointment will be proposed at the forthcoming annual general meeting.

**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 19<sup>TH</sup> FEBRUARY 1999 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Barry Foreman', with a long horizontal line extending to the left.

Barry Anthony Foreman  
Secretary

**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**

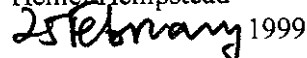
In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Robson Rhodes

Chartered Accountants and Registered Auditor

Hemel Hempstead

 25 February 1999

**DAWCASTLE LIMITED****PROFIT AND LOSS ACCOUNT**  
for the year ended 30 June 1998

	Note	1998 £	1997 £
Turnover - continuing operations	1	228,963	219,677
Gross profit		228,963	219,677
Administrative expenses		(4,047)	(17,500)
Operating profit - continuing operations	2	224,916	202,177
Interest payable	4	(86,361)	(107,874)
Interest receivable	5	5,816	2,803
Profit on ordinary activities before taxation		144,371	97,106
Taxation on profit on ordinary activities	6	(44,755)	-
Profit on ordinary activities after taxation		99,616	97,106
Dividends paid and proposed		-	-
Retained profit for the financial period	14	99,616	97,106

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 30 June 1998


	1998 £	1997 £
Profit for the financial year	99,616	97,106
Unrealised surplus on property revaluation	300,000	502,901
Total recognised gains	399,616	600,007

**DAWCASTLE LIMITED****BALANCE SHEET**  
**at 30 June 1998**

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	7	2,300,000	2,000,000
<b>Current assets</b>			
Debtors	8	192,585	107,903
Cash at bank		112,477	54,751
		305,062	162,654
<b>Creditors: Amounts falling due within one year</b>	9	(1,531,549)	(1,488,757)
<b>Net current liabilities</b>		(1,226,487)	(1,326,103)
<b>Total assets less current liabilities</b>		1,073,513	673,897
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Investment revaluation reserve	14	802,901	502,901
Profit and loss account	14	270,610	170,994
<b>Shareholders' funds - equity</b>	13	1,073,513	673,897

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 19<sup>th</sup> FEBRUARY 1999 and signed on its behalf by:

  
Andrew Lynton Cohen  
Director



**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1998**

**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:

	1998	1997
	£	£
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.

NOTES TO THE FINANCIAL STATEMENTS  
30 June 1998

4. INTEREST PAYABLE

	1998 £	1997 £
Interest payable on bank loans and overdrafts repayable in instalments	86,361	107,874
	<u>          </u>	<u>          </u>

5. INTEREST RECEIVABLE

	1998 £	1997 £
Interest receivable - on bank balances	2,753	2,803
- on group balances	3,063	-
	<u>          </u>	<u>          </u>
	5,816	2,803
	<u>          </u>	<u>          </u>

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
<b>Taxation charge for the year</b>		
UK corporation tax	-	-
Amount payable to subsidiary undertaking in respect of tax saved by group relief	44,755	-
	<u>          </u>	<u>          </u>
	44,755	-
	<u>          </u>	<u>          </u>

NOTES TO THE FINANCIAL STATEMENTS  
30 June 1998

7. TANGIBLE FIXED ASSETS - INVESTMENT PROPERTIES

	Freehold land and buildings £
<b>Cost or valuation</b>	
At 1 July 1997	2,000,000
Revaluation	300,000
	<hr/>
At 30 June 1998	2,300,000
	<hr/>
<b>Net book value</b>	
At 30 June 1998	2,300,000
	<hr/>
At 30 June 1997	2,000,000
	<hr/>

The freehold land and buildings are held as investment properties. The directors revalued the properties to market value at 30 June 1998.

8. DEBTORS

	1998 £	1997 £
Amounts owed by group undertakings	107,789	25,000
Other debtors	81,709	79,925
Prepayments	3,087	2,978
	<hr/>	<hr/>
	192,585	107,903
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1998**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertaking	388,721	355,410
Group relief payable	44,755	-
Other creditors	87,631	119,080
Other taxes and social security	10,442	14,267
Debt (see note 10)	1,000,000	1,000,000
	<u>1,531,549</u>	<u>1,488,757</u>

**10. DEBT ANALYSIS**

The above debt is repayable as follows:

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Debt due within one year	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

The loan is secured by a legal mortgage over the assets of the Company.

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>1998</b>	<b>1997</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	210,000	128,000
	<u>210,000</u>	<u>128,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
30 June 1998

12. CALLED UP SHARE CAPITAL

	1998 £	1997 £
<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

	1998 £	1997 £
Total recognised gains	399,616	600,007
Opening shareholders' funds	673,897	73,890
	<u>          </u>	<u>          </u>
Closing shareholders' funds	1,073,513	673,897
	<u>          </u>	<u>          </u>

14. RESERVES

	Investment revaluation reserve £	Profit and loss £
At 1 July 1997	502,901	170,994
Retained profit for the year	-	99,616
Revaluation in the year	300,000	-
	<u>          </u>	<u>          </u>
At 30 June 1998	802,901	270,610
	<u>          </u>	<u>          </u>

15. TRANSACTIONS WITH DIRECTORS

There were no transactions with directors during the period.

**NOTES TO THE FINANCIAL STATEMENTS**

**30 June 1998**

**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.