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# DAWCASTLE LIMITED

## REPORT AND FINANCIAL STATEMENTS

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◆ 30 June 1997 ◆

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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 W D Miskin
Secretary	W D Miskin
Registered office	Lynton Place 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 1997. The Company commenced investment activities on 18 August 1995.

**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 was a director throughout the year and resigned on 31 January 1998. All of the other directors served throughout the year.

The directors' beneficial interests in the Company's shares at the dates specified were as follows:

	At 30 June 1997	At 30 June 1996
A L Cohen	-	-
J A Lewis	-	-
W D Miskin	-	-

The directors' interests in the shares of the parent company are disclosed in that company's 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)

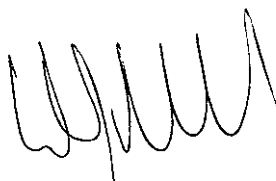
**Auditors**

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 16 MARCH 1998 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'W. D. Miskin', with a stylized, wavy line extending from the end.

Warren David Miskin  
Secretary

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

We have audited the financial statements on pages 5 to 11 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.

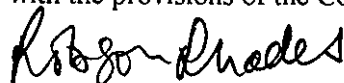
**Basis of opinion**

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 1997 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  
 1998

**DAWCASTLE LIMITED****PROFIT AND LOSS ACCOUNT**  
for the year ended 30 June 1997

	Note	1997 £	1996 £
Turnover - continuing operations	1	219,677	185,021
Cost of sales		-	(953)
		<hr/>	<hr/>
Gross profit		219,677	184,068
Administrative expenses		(17,500)	(6,962)
		<hr/>	<hr/>
Operating profit - continuing operations	2	202,177	177,106
Interest payable	4	(107,874)	(104,391)
Interest receivable	5	2,803	1,173
		<hr/>	<hr/>
Profit on ordinary activities before taxation		97,106	73,888
Taxation on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation		97,106	73,888
Dividends paid and proposed		-	-
		<hr/>	<hr/>
Retained profit for the financial period	14	97,106	73,888
		<hr/> <hr/>	<hr/> <hr/>

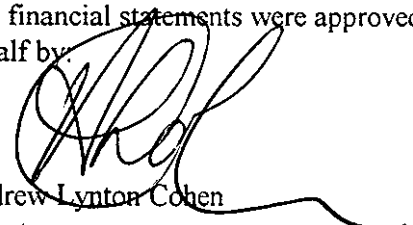
The company made no recognised gains or losses in the period, other than those included in the profit and loss account.

**DAWCASTLE LIMITED****BALANCE SHEET**  
at 30 June 1997

	Note	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	7	2,000,000	1,497,099
<b>Current assets</b>			
Debtors	8	107,903	92,849
Cash at bank		54,751	44,722
<b>Creditors: Amounts falling due within one year</b>	9	162,654 (1,488,757)	137,571 (1,560,780)
<b>Net current liabilities</b>		(1,326,103)	(1,423,209)
<b>Total assets less current liabilities</b>		673,897	73,890
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Revaluation Reserve	14	502,901	-
Profit and loss account	14	170,994	73,888
<b>Shareholders' funds - equity</b>	13	673,897	73,890

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 16 MARCH 1998 and signed on its behalf by:



Andrew Lynton Cohen  
Director



**NOTES TO THE FINANCIAL STATEMENTS****30 June 1997****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.

**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:

	1997 £	1996 £
Auditors' remuneration	Nil	Nil
	<u>          </u>	<u>          </u>

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

There were no employees during the period.

The directors received no remuneration during the period.

**4. INTEREST PAYABLE**

	1997 £	1996 £
Interest payable on bank loans and overdrafts repayable in instalments	107,874	104,391
	<u>          </u>	<u>          </u>

**DAWCASTLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1997****5. INTEREST RECEIVABLE**

	1997 £	1996 £
Interest receivable	2,803	1,173

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

	1997 £	1996 £
UK corporation tax	Nil	Nil

**7. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £
Cost or valuation	
At 1 July 1996	1,497,099
Revaluation	502,901
	<hr/>
At 30 June 1997	2,000,000
	<hr/>
Net book value	
At 30 June 1997	2,000,000
	<hr/>
At 30 June 1996	1,497,099
	<hr/>

The freehold land and buildings are held as investment properties. The directors revalued the properties to market value at 30 June 1997.

**DAWCASTLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1997****8. DEBTORS**

	1997 £	1996 £
Amounts owed by fellow subsidiary undertakings	25,000	-
Other debtors	79,925	88,142
Prepayments	2,978	4,707
	<u>107,903</u>	<u>92,849</u>

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

	1997 £	1996 £
Amounts owed to parent undertaking	355,410	467,529
Other creditors	119,080	80,641
Other taxes and social security	14,267	12,610
Debt (see note 10)	1,000,000	1,000,000
	<u>1,488,757</u>	<u>1,560,780</u>

**10. DEBT ANALYSIS**

The above debt is repayable as follows:	1997 £	1996 £
Due within one year	<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. The bank interest is charged at 2% over the bank's base rate.

**DAWCASTLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1997****11. PROVISION FOR LIABILITIES AND CHARGES**

	1996 £	1996 £
Deferred taxation at 30% (1996 nil) comprises:		
Provided	-	-
Unprovided		
Tax on potential capital gain	128,000	-

**12. CALLED UP SHARE CAPITAL**

	1997 £	1996 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted and fully paid		
2 ordinary shares of £1 each	2	2

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

	1997 £	1996 £
Allotment of shares	-	2
Total recognised gains	97,106	73,888
Revaluation in year	502,901	-
	600,007	73,890
Opening shareholders' funds	73,890	-
Closing shareholders' funds	673,897	73,890

## DAWCASTLE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

30 June 1997

#### 14. RESERVES

	Revaluation £	Profit and loss £
At 1 July 1996	-	73,888
Retained profit for the year	-	97,106
Revaluation in the year	502,901	-
	<hr/>	<hr/>
At 30 June 1997	502,901	170,994
	<hr/>	<hr/>

#### 15. TRANSACTIONS WITH DIRECTORS

There were no transactions with directors during the period.

#### 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.

For directors' use only

**The following pages do not form part of the  
audited statutory financial statements and are for  
management purposes only**

**DAWCASTLE LIMITED**

For directors' use only

**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 June 1997

	1997 £	1996 £
Rent receivable	219,677	185,021
Service Charge	-	(953)
	<hr/>	<hr/>
Gross profit	219,677	184,068
Administration Expenses		
Rates	3,341	5,459
Insurance	-	(2,318)
Bank charges	81	3,771
Other	14,078	47
	<hr/>	<hr/>
	17,500	6,959
	<hr/>	<hr/>
Operating profit	202,177	177,106
	<hr/>	<hr/>