

**ARTHUR NEWBERY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2000**



Company no 57762

**ARTHUR NEWBERY LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 March 2000

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Company registration number: 57762

Registered office: 2 Alton Chambers  
37 Church Road  
Parkstone  
Poole  
BH14 8UF

Directors: Mr R A Graham  
Mr G J Graham  
Mr D L Graham  
Mr A Browne

Secretary: Mr A Browne

Bankers: HSBC Bank  
Bournemouth

Solicitors: Preston & Redman  
Bournemouth

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants

**ARTHUR NEWBERY LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 March 2000

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# ARTHUR NEWBERY LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2000.

### Principal activities

The company is principally engaged in the buying and selling of properties, property management and investment.

### Business review

The company has had a successful year and will continue to look for new investment opportunities in the future.

There was a profit for the year after taxation amounting to £363,780. The directors recommend payment of dividends of £165,315, leaving £198,465 retained.

### Directors

The present membership of the Board is set out below. All directors served throughout the year.

Mr D L Graham and Mr A Browne retire by rotation and being eligible offer themselves for re-election.

The beneficial and other interests of the directors and their families in the shares of the company as at 31 March 2000 and 1 April 1999, were as follows:

	Ordinary shares		Preference shares	
	31 March 2000	1 April 1999	31 March 2000	1 April 1999
Beneficial interests:				
Mr R A Graham	534	534	3,000	3,000
Mr G J Graham	5,255	5,255	3,000	3,000
Mr D L Graham	5,255	5,255	3,000	3,000
Mr A Browne	-	-	-	-
Other interests:				
Mr R A Graham ) as trustees of	2,078	2,078	-	-
Mr G J Graham ) Mr H A Graham's	2,078	2,078	-	-
Mr D L Graham ) 1985 Settlements				
	2,078	2,078	-	-
Mr D L Graham as trustee of Mr R A Graham's 1985 Settlement	4,722	4,722	-	-

### Charitable contributions

Donations to charitable organisations amounted to £Nil (1999: £649).

# ARTHUR NEWBERY LIMITED

## REPORT OF THE DIRECTORS

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### Directors' responsibilities for the 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 those financial statements, the directors are required to:

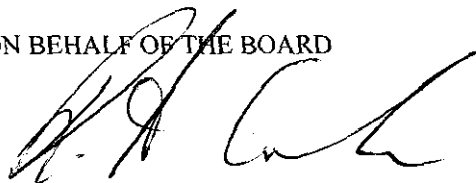
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



Mr R A Graham  
Director

8 December 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
ARTHUR NEWBERY LIMITED**

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on page 4.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. 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 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.

**Qualified opinion arising from disagreement about accounting treatment**

The company's investment properties have been included in the financial statements at cost and have not been revalued annually as required by Statement of Standard Accounting Practice Number 19. In the absence of such a valuation it is not practical to determine the amount of the adjustment which would be required.

Except for the matter referred to above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the subject matter of the foregoing qualification is not material for determining whether the distribution of £165,315 proposed by the company is permitted under section 263 of the Act.

**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

Poole  
Date

8 December 2000



# **ARTHUR NEWBERY LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **INCOME**

Income comprises rents receivable from investment properties owned, dividends declared during the accounting period, interest and other income receivable on bank deposits, listed and unlisted investments, and profit or loss on the disposal of investments.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost of all tangible fixed assets excluding investment properties, on the reducing balance method. The rates generally applicable are:

Fixtures and fittings	15%
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### **INVESTMENT PROPERTIES**

Investment properties are stated at cost.

### **INVESTMENTS**

Investments are included at cost.

### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

**ARTHUR NEWBERY LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2000

	Note	2000 £	1999 £
<b>Income</b>	1/2	<b>347,694</b>	396,236
Administrative expenses		(142,171)	(147,479)
<b>Operating profit</b>		<b>205,523</b>	248,757
<b>Exceptional items</b>			
Profit on sale of fixed assets		243,884	381,854
Net interest	2	14,932	9,507
<b>Profit on ordinary activities before taxation</b>	1	<b>464,339</b>	640,118
Tax on profit on ordinary activities	4	(100,559)	(110,844)
<b>Profit for the financial year</b>	15	<b>363,780</b>	529,274
Dividends	5	(165,315)	(165,315)
<b>Profit transferred to reserves</b>	14	<b>198,465</b>	363,959

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.



# ARTHUR NEWBERY LIMITED

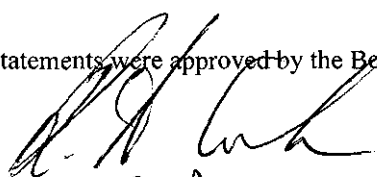
## BALANCE SHEET AT 31 MARCH 2000

	Note	2000 £	2000 £	1999 £	1999 £
<b>Fixed assets</b>					
Tangible assets	6		2,766,207		2,300,267
Investments	7		172,860		172,860
			<u>2,939,067</u>		<u>2,473,127</u>
<b>Current assets</b>					
Debtors	8	13,962		17,300	
Investments	9	-		62,144	
Cash at bank and in hand		611,868		432,685	
		<u>625,830</u>		<u>512,129</u>	
<b>Creditors: amounts falling due within one year</b>	10	(526,997)		(412,099)	
<b>Net current assets</b>			<u>98,833</u>		<u>100,030</u>
<b>Total assets less current liabilities</b>			<u>3,037,900</u>		<u>2,573,157</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(697,780)		(428,567)
<b>Provisions for liabilities and charges</b>	12		(1,568)		(4,503)
			<u>2,338,552</u>		<u>2,140,087</u>
<b>Capital and reserves</b>					
Called up share capital	13		31,000		31,000
Profit and loss account	14		2,307,552		2,109,087
<b>Shareholders' funds</b>	15		<u>2,338,552</u>		<u>2,140,087</u>

The financial statements were approved by the Board of Directors on

8th December 2000

R A Graham



Director

A Browne



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

### 1 INCOME AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Income is attributable to the activities of buying and selling of properties, property management and investment.

An analysis of income by type is given below:	2000 £	1999 £
Listed investments	1,793	2,809
Unlisted fixed asset investments	8,600	4,300
Net (loss) on sale of investments	(4,695)	-
Investment interest	434	721
Net rent receivable	341,562	388,406
	<u>347,694</u>	<u>396,236</u>

The profit on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration	2,275	2,100
Depreciation:		
Tangible fixed assets	<u>136</u>	<u>160</u>

### 2 NET INTEREST

	2000 £	1999 £
Interest payable	279	853
Interest receivable	(15,211)	(10,360)
	<u>(14,932)</u>	<u>(9,507)</u>

Interest payable of £31,494 (1999: £39,473) on the bank loan has been charged in arriving at the figure disclosed as income on the face of the profit and loss account.

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	106,113	106,677
Social security costs	10,493	10,494
Other pension costs	102	104
	<u>116,708</u>	<u>117,275</u>

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

The average number of employees of the company during the year was 5 (1999: 5).

Remuneration in respect of directors was as follows:

	2000 £	1999 £
Emoluments	102,000	102,000

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2000 £	1999 £
UK Corporation tax at 30% (1999: 25%)	102,000	107,904
Deferred taxation	131	238
Tax attributable to franked investment income	-	1,422
	102,131	109,564
Adjustments in respect of prior periods:		
Corporation tax	1,494	-
Deferred tax	(3,066)	1,280
	100,559	110,844

The 2000 taxation charge includes a tax liability of £45,402 arising on the profit on sale of properties, disclosed as an exceptional item on the face of the profit and loss account.

### 5 DIVIDENDS

	2000 £	1999 £
Equity dividends:		
Ordinary shares - proposed dividend of 750p (1999: 750p) per share	165,000	165,000
Non-equity dividends:		
Preference dividend of 3.5p per share (1999: 3.5p)	315	315
	165,315	165,315

**ARTHUR NEWBERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

**6 TANGIBLE FIXED ASSETS**

	<b>Investment property £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
Cost			
At 1 April 1999	2,299,357	12,698	2,312,055
Additions	723,217	-	723,217
Disposals	(257,141)	-	(257,141)
At 31 March 2000	2,765,433	12,698	2,778,131
Depreciation			
At 1 April 1999	-	11,788	11,788
Provided in the year	-	136	136
At 31 March 2000	-	11,924	11,924
Net book amount at 31 March 2000	<u>2,765,433</u>	<u>774</u>	<u>2,766,207</u>
Net book amount at 31 March 1999	<u>2,299,357</u>	<u>910</u>	<u>2,300,267</u>

**Investment properties**

The directors are of the opinion that in aggregate the market value of the land and buildings exceeds the book value of these assets. In the absence of a professional valuation and because of the wide fluctuation in property values, it is not possible to quantify this excess.

As a result, no provision has been made in the deferred taxation account for the Corporation Tax that would be payable on disposal of these properties at their market value.

**7 FIXED ASSETS INVESTMENTS**

	<b>Share in associated undertaking £</b>
Cost and net book amount at 31 March 2000 and 31 March 1999	<u>172,860</u>

The above investment is in respect of a 33.73% holding in the ordinary share capital of James Trust Limited. This company is incorporated in England and is engaged in the business of property management and investment.

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

The company's share of the results, assets and liabilities of James Trust Limited was:	2000 £	1999 £
Turnover	47,250	44,836
Profit before tax	41,030	24,559
Taxation	8,332	4,868
Profit after tax	32,699	19,692
Fixed assets	427,328	314,767
Current assets	6,902	93,232
Liabilities due within one year	28,628	27,843
Liabilities due after one year or more	-	-

The investment properties owned by James Trust Limited have been included within fixed assets above at cost and have not been revalued annually as required by Statement of Standard Accounting Practice Number 19. The auditor's reports for the financial statements of James Trust Limited for the years ended 31 March 2000 and 31 March 1999 were qualified in this respect.

### 8 DEBTORS

	2000 £	1999 £
Trade debtors	9,828	13,338
Other debtors	2,500	2,500
Prepayments and accrued income	1,634	1,462
	<u>13,962</u>	<u>17,300</u>

### 9 CURRENT ASSET INVESTMENTS

	2000 £	1999 £
Listed investments	-	62,144

**ARTHUR NEWBERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000 £	1999 £
Bank loans and overdrafts	124,273	27,268
Corporation tax	102,047	90,553
Social security and other taxes	12,934	10,322
Proposed dividends	165,315	165,315
Other creditors	116,289	111,956
Accruals and deferred income	6,139	6,685
	<u>526,997</u>	<u>412,099</u>

The bank overdraft is secured by a legal mortgage over certain of the company's investment properties.

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Bank loans	<u>697,780</u>	<u>428,567</u>

**Bank loan 1**

The bank loan is secured by a legal mortgage over certain of the company's investment properties. It is repayable in quarterly instalments of £16,290, including interest at 1.75% per annum over Base Rate, from July 1997 to June 2009.

**Bank loan 2**

The bank loan is secured by means of a fixed and floating charge over the company's assets. It is repayable in monthly instalments of £28,750, including interest at 1% per annum over the Base Rate, from March 2000 to March 2004.

Borrowings are repayable as follows:

	2000 £	1999 £
Within one year		
Bank overdraft and loans	124,273	27,268
After one and within two years		
Bank loans	132,418	29,661
After two and within five years		
Bank loans	340,416	105,532
After five years		
Bank loans	224,946	293,374
	<u>822,053</u>	<u>455,835</u>

**ARTHUR NEWBERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

**12 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £
At 1 April 1999	4,503
Utilised during the year	(2,935)
At 31 March 2000	<u>1,568</u>

Deferred taxation relates to accelerated capital allowances. There are no unprovided amounts.

**13 SHARE CAPITAL**

	2000 £	1999 £
Authorised		
22,000 ordinary shares of £1 each	22,000	22,000
10000 preference shares of £1 each	10,000	10,000
	<u>32,000</u>	<u>32,000</u>
Allotted, called up and fully paid		
22,000 ordinary shares of £1 each	22,000	22,000
9000 preference shares of £1 each		
3.5% plus tax credit	9,000	9,000
	<u>31,000</u>	<u>31,000</u>

**Preference shares**

The preference shares are non-equity shares which carry an entitlement to a dividend at the rate of 3.5% (net) per share per annum.

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

### 14 RESERVES

	Profit and loss account £
At 1 April 1999	2,109,087
Retained profit for the year	198,465
At 31 March 2000	<u>2,307,552</u>

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	363,780	529,274
Dividends	(165,315)	(165,315)
Net increase in shareholders' funds	<u>198,465</u>	<u>363,959</u>
Shareholders' funds at 1 April 1999	2,140,087	1,776,128
Shareholders' funds at 31 March 2000	<u>2,338,552</u>	<u>2,140,087</u>

### 16 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2000 or 31 March 1999.

### 17 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2000 or 31 March 1999.

### 18 RELATED PARTIES

Arthur Newbery Limited holds 33.73% of the ordinary share capital of James Trust Limited. Mr D L Graham, Mr R A Graham and Mr G J Graham are directors of both Arthur Newbery Limited and James Trust Limited.