



**ARTHUR NEWBERY LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1997

**Company Number: 57762**

**ARTHUR NEWBERY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1997**

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Company registration number:

57762

Registered office:

2 Alton Chambers  
37 Church Road  
Parkstone  
Poole  
Dorset

Directors:

D L Graham  
G J Graham  
R A Graham  
A Browne

Secretary:

A Browne

Bankers:

Midland Bank  
Bournemouth

Solicitors:

Preston & Redman  
Bournemouth

Turners  
Bournemouth

Auditors:

Grant Thornton  
Registered auditors  
Chartered accountants

**ARTHUR NEWBERY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1997**

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# ARTHUR NEWBERY LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with financial statements for the year ended 31 March 1997.

### Principal activities

The company is principally engaged in buying and selling property, 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 £288,084 (1996: £151,867). The directors recommend dividends absorbing £165,315 leaving £122,769 (1996: £8,552) retained.

### Directors

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

D L Graham and 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 1 April 1996 and 31 March 1997, were as follows:

	Ordinary shares 1997 and 1996 Number	Preference shares 1997 and 1996 Number
Beneficial interests		
R A Graham	534	3,000
G J Graham	5,255	3,000
D L Graham	5,255	3,000
A Browne	-	-
Other interests		
R A Graham ) as trustees of	2,078	-
G J Graham ) H A Graham's	2,078	-
D L Graham ) 1985 Settlement	2,078	-
D L Graham as trustee of R A Graham's 1985 Settlement	4,722	-

# 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.

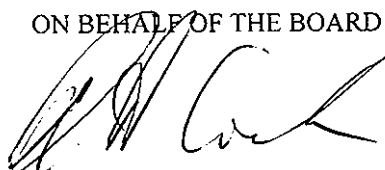
### Charitable contributions

Donations to charitable organisations amounted to £4,132 (1996: £nil).

### Auditors

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

ON BEHALF OF THE BOARD



R A Graham  
Director

11th DECEMBER 1997

## **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 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.

#### **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 at 31 March 1997 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 £77,315 proposed by the company is permitted under section 263 of the Act.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

Poole

11th DECEMBER 1997

# 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 rent receivable from property management, dividends declared during the accounting period, interest and other income receivable on listed and unlisted investments, and profit or loss on the disposal of investments.

### Depreciation

Depreciation is calculated on the reducing balance method and aims to write down the cost of all tangible fixed assets other than freehold properties over their expected useful lives.

The rates generally applicable are:

Fixtures and fittings	15%
Motor vehicles	25%

### Investment properties

Investment properties are stated at cost.

### Investments

Investments are stated 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.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

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

FOR THE YEAR ENDED 31 MARCH 1997

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	Note	1997 £	1997 £	1996 £	1996 £
<b>Income</b>	1/2		354,085		318,391
Administrative expenses			<u>135,160</u>		<u>132,760</u>
			218,925		185,631
<b>Exceptional item:</b>					
Profit on sale of properties			113,924		-
Net interest	3		<u>9,081</u>		<u>19,619</u>
<b>Profit on ordinary activities before taxation</b>	1		341,930		205,250
Tax on profit on ordinary activities	5		<u>53,846</u>		<u>53,383</u>
<b>Profit for the financial year</b>	15		288,084		151,867
Dividends	6				
Equity		165,000		143,000	
Non-equity		<u>315</u>		<u>315</u>	
			165,315		143,315
<b>Profit retained</b>	14		<u><u>122,769</u></u>		<u><u>8,552</u></u>

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.



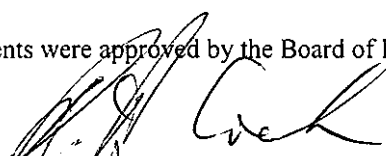
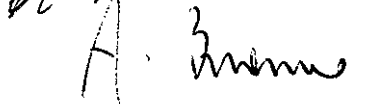
# ARTHUR NEWBERY LIMITED

## BALANCE SHEET AT 31 MARCH 1997

	Note	£	1997 £	£	1996 £
<b>Fixed assets</b>					
Tangible assets	7		1,372,191		976,439
Investments	8		172,860		172,860
			<u>1,545,051</u>		<u>1,149,299</u>
<b>Current assets</b>					
Debtors	9	43,870		61,543	
Investments	10	151,490		371,054	
Cash at bank and in hand		<u>276,828</u>		<u>317,341</u>	
		472,188		749,938	
<b>Creditors: amounts falling due within one year</b>	11	<u>313,878</u>		<u>317,506</u>	
<b>Net current assets</b>			<u>158,310</u>		<u>432,432</u>
<b>Total assets less current liabilities</b>			1,703,361		1,581,731
<b>Provision for liabilities and charges</b>	12		3,467		4,606
			<u>1,699,894</u>		<u>1,577,125</u>
<b>Capital and reserves</b>					
Called up share capital	13		31,000		31,000
Profit and loss account	14		1,668,894		1,546,125
<b>Shareholders' funds</b>	15		<u>1,699,894</u>		<u>1,577,125</u>
Equity shareholders funds			1,690,894		1,568,125
Non-equity shareholders' funds			9,000		9,000
			<u>1,699,894</u>		<u>1,577,125</u>

These financial statements were approved by the Board of Directors on

11th December 1997

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 1997**

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

Income is attributable to the activities of property management and investment.

The profit on ordinary activities is stated after:

	1997 £	1996 £
Auditors' remuneration	2,100	2,100
Depreciation: Tangible fixed assets, owned	<u>222</u>	<u>1,084</u>

**2 INCOME**

	1997 £	1996 £
Listed investments	14,612	23,052
Unlisted investments	17,200	10,750
Net profit/(loss) on sale of investments	771	(8,440)
Net rent receivable	<u>321,502</u>	<u>293,029</u>
	<u>354,085</u>	<u>318,391</u>

**3 NET INTEREST**

	1997 £	1996 £
Other interest payable and similar charges	(3,576)	(260)
Other interest receivable and similar income	<u>12,657</u>	<u>19,879</u>
	<u>9,081</u>	<u>19,619</u>

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

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### 4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1997 £	1996 £
Wages and salaries	105,557	105,980
Social security costs	10,161	10,146
Other pension costs	104	104
	<u>115,822</u>	<u>116,230</u>

The average number of employees of the company during the year was 5 (1996: 5).

Remuneration in respect of directors was as follows:

	1997 £	1996 £
Management remuneration	<u>102,000</u>	<u>103,490</u>

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1997 £	1996 £
Corporation tax at 24% (1996: 25%)	49,602	49,042
Deferred tax (note 12)	(1,139)	427
Tax attributable to franked investment income	<u>5,408</u>	<u>3,600</u>
	53,871	53,069
Adjustments in respect of prior year:		
Corporation tax	(25)	717
Deferred tax	<u>-</u>	<u>(403)</u>
	<u>53,846</u>	<u>53,383</u>

No tax liability arose on the profit on sale of properties, disclosed as an exceptional item on the face of the profit and loss account (page 5).

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

### 6 DIVIDENDS

	1997 £	1996 £
Equity dividends:		
Ordinary shares - interim dividend of £4.00 per share paid 24 March 1997 (1996: £2.50)	88,000	55,000
Ordinary shares - proposed final dividend of £3.50 per share (1996: £4.00)	77,000	88,000
	<u>165,000</u>	<u>143,000</u>
Non-equity dividends:		
Preference dividend of 3.5p per share	315	315
	<u>165,315</u>	<u>143,315</u>

### 7 TANGIBLE FIXED ASSETS

	Investment properties £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 1996	971,667	12,552	12,698	996,917
Additions	468,896	-	-	468,896
Disposals	(69,631)	(12,552)	-	(82,183)
At 31 March 1997	<u>1,370,932</u>	<u>-</u>	<u>12,698</u>	<u>1,383,630</u>
Depreciation				
At 1 April 1996	-	9,261	11,217	20,478
Provided in the year	-	-	222	222
Eliminated on disposals	-	(9,261)	-	(9,261)
At 31 March 1997	<u>-</u>	<u>-</u>	<u>11,439</u>	<u>11,439</u>
Net book amount at 31 March 1997	<u>1,370,932</u>	<u>-</u>	<u>1,259</u>	<u>1,372,191</u>
Net book amount at 31 March 1996	<u>971,667</u>	<u>3,291</u>	<u>1,481</u>	<u>976,439</u>

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

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### 7 TANGIBLE FIXED ASSETS (CONTINUED)

#### 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.

### 8 FIXED ASSET INVESTMENTS

	Shares in associated undertaking £
Cost	
At 1 April 1996 and at 31 March 1997	<u>172,860</u>

The directors are of the opinion that the market value of this investment at 31 March 1997 is not materially different from cost.

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.

The audited accounts of James Trust Limited at 31 March 1997 showed the following results:

	Capital and reserves £	Retained profit for the year £
James Trust Limited	<u>1,066,053</u>	<u>240,398</u>

The accounts of James Trust Limited for the year ended 31 March 1997 contain a qualified audit report. The qualification arises in respect of investment properties which are included at cost rather than their revalued amounts as required by Statement of Standard Accounting Practice number 19. The accounts also state that the directors of James Trust Limited believe that the market value of the investment properties exceeds the book value of those assets.

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

### 9 DEBTORS

	1997 £	1996 £
Trade debtors	21,328	13,143
Other debtors	2,463	12,041
ACT recoverable	19,329	22,079
Prepayments and accrued income	750	14,280
	<u>43,870</u>	<u>61,543</u>

The ACT recoverable falls due outside one year.

### 10 CURRENT ASSET INVESTMENTS

	1997 £	1996 £
Listed investments	<u>151,490</u>	<u>371,054</u>

The aggregate market value of these investments at 31 March 1997 was £223,380 (1996: £518,183). The directors are of the opinion that no material loss will be taken on these investments and so no provision has been made.

### 11 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank overdraft	95,394	88,274
Current taxation	9,991	-
ACT payable	39,192	35,279
Social security and other taxes	8,981	9,771
Other creditors	71,319	79,035
Proposed dividend	77,315	88,315
Accruals and deferred income	11,686	16,832
	<u>313,878</u>	<u>317,506</u>

The bank overdraft is secured by a legal mortgage over the freehold properties at 33 East Street, Havant and at College Chambers, 51/59 New Street, Salisbury.

**ARTHUR NEWBERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1997**

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**12 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation	
	1997	1996
	£	£
At 1 April 1996	4,606	4,582
Provided during the year	-	24
Utilised in year	(1,139)	-
At 31 March 1997	<u>3,467</u>	<u>4,606</u>

Deferred taxation represents:

	1997	1996
	£	£
Accelerated capital allowances	3,467	3,534
Other timing differences	-	1,072
	<u>3,467</u>	<u>4,606</u>

**13 SHARE CAPITAL**

	1997 and 1996
	£
<b>Authorised</b>	
10,000 preference shares of £1 each	
3.5% plus tax credit	10,000
22,000 ordinary shares of £1 each	22,000
Unclassified	<u>8,000</u>
	<u>40,000</u>
<b>Allotted, called up and fully paid</b>	
9,000 preference shares of £1 each	
3.5% plus tax credit	9,000
22,000 ordinary shares of £1 each	<u>22,000</u>
	<u>31,000</u>

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

# ARTHUR NEWBERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

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### 14 RESERVES

	Profit and loss account	
	1997	1996
	£	£
At 1 April 1996	1,546,125	1,537,573
Retained profit for the year	122,769	8,552
At 31 March 1997	<u>1,668,894</u>	<u>1,546,125</u>

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit for the financial year	288,084	151,867
Dividends	165,315	143,315
Net increase in shareholders' funds	<u>122,769</u>	<u>8,552</u>
Shareholders' funds at 1 April 1996	1,577,125	1,568,573
Shareholders' funds at 31 March 1997	<u>1,699,894</u>	<u>1,577,125</u>

### 16 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 1997 or 31 March 1996.

### 17 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1997 or 31 March 1996.

### 18 RELATED PARTY

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