

**The West Hartlepool Steam  
Navigation Company Limited**  
Report and Accounts

31 January 2001



# The West Hartlepool Steam Navigation Company Limited

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## **DIRECTORS**

A D Guthe (Chairman)  
T G Rennie  
L S Worthy

## **SECRETARY**

T G Rennie

## **AUDITORS**

Gilchrist Tash  
Cleveland Buildings  
Queen's Square  
Middlesbrough  
TS2 1PA

## **BANKERS**

Barclays Bank plc  
PO Box 7  
49 High Street  
Stockton on Tees  
TS18 1AH

## **SOLICITORS**

The Endeavour Partnership  
Richard House  
Sorbonne Close  
Teesdale Business Park  
Stockton on Tees  
TS17 6DA

## **REGISTERED OFFICE**

Kepwick Mill  
Thirsk  
North Yorkshire  
YO7 4BH

# THE WEST HARTLEPOOL STEAM NAVIGATION COMPANY LIMITED

## DIRECTORS' REPORT

The directors present their report and group accounts for the year ended 31 January 2001.

### RESULTS AND DIVIDENDS

The group profit for the year, after taxation and minority interests, amounted to £73,172 (2000: £635,349). The directors recommend a final preferred ordinary dividend of £23,091 (2000: £23,091), making the total of preferred ordinary dividends £46,182 for the year (2000: £46,182) which leaves a retained profit of £26,990 (2000: £589,167) to be transferred to reserves.

### PRINCIPAL ACTIVITIES

The principal trading activities of the group during the year were vehicle electrical and electronic architecture manufacture, hotel owning and operating and property management.

### REVIEW OF THE BUSINESS

The performance of the group's vehicle electrical and electronic architecture manufacturers was less than satisfactory. The ongoing and significant restructuring costs together with challenging market conditions have had an adverse effect in the year under review.

The performance of the group's hotels was disappointing. Improvements to the management structure will result in an improved performance.

The performance of the group's property management was satisfactory.

### DIRECTORS AND THEIR INTERESTS

The directors during the year and their interests in the preferred ordinary share capital of the company were as follows:

	2001		2000	
	<i>Beneficial and family interests</i>	<i>Holding as trustee</i>	<i>Beneficial and family interests</i>	<i>Holding as trustee</i>
A D Guthe (Chairman)	101,149	1,000	101,149	1,000
T G Rennie	-	-	-	-
L S Worthy	-	-	-	-
G Hall (resigned 31 October 2000)	-	-	-	-

### EMPLOYEES

The directors recognise the importance of good communication and relationships with employees. It is group policy to give full and fair consideration to the employment needs of disabled persons and to comply with any legislation with regard to disabled persons.

# THE WEST HARTLEPOOL STEAM NAVIGATION COMPANY LIMITED

## DIRECTORS' REPORT

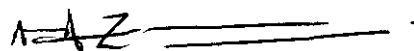
### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the group made various charitable contributions totalling £500 (2000: £500).

### **AUDITORS**

A resolution to re-appoint Gilchrist Tash as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



A D Guthe  
Director

11 June 2001

## THE WEST HARTLEPOOL STEAM NAVIGATION COMPANY LIMITED

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group companies and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **REPORT OF THE AUDITORS**

**to the shareholders of The West Hartlepool Steam Navigation Company Limited**

We have audited the accounts on pages 7 to 30, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 13 to 15.

### **Respective responsibilities of directors and auditors**

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

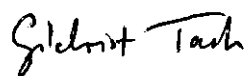
### **Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 January 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gilchrist Tash  
Chartered Accountants  
& Registered Auditors

Cleveland Buildings  
Queen's Square  
Middlesbrough

11 June 2001

# The West Hartlepool Steam Navigation Company Limited

## GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 January 2001

	Notes	2001 £	2000 £
<b>TURNOVER</b>	2	6,270,490	5,886,261
Cost of sales		4,299,436	3,953,240
<b>GROSS PROFIT</b>		1,971,054	1,933,021
Administrative expenses		2,513,732	2,034,018
Other operating income		(87,596)	(109,765)
		2,426,136	1,924,253
<b>OPERATING (LOSS)/PROFIT</b>	3	(455,082)	8,768
Investment income	6	364,975	407,152
Bank interest receivable		191,061	265,436
		556,036	672,588
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		100,954	681,356
Tax on profit on ordinary activities	7	8,463	10,522
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		92,491	670,834
Minority interests - equity		19,319	35,485
<b>PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO MEMBERS OF THE PARENT UNDERTAKING</b>	8	73,172	635,349
Dividends - equity shares	9	46,182	46,182
<b>RETAINED PROFIT FOR THE YEAR</b>		£26,990	£589,167

All of the activities of the group are classed as continuing.

# The West Hartlepool Steam Navigation Company Limited

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 January 2001

	<i>Notes</i>	<i>2001</i> £	<i>2000</i> £
<b>NOTE OF HISTORICAL COST PROFITS AND LOSSES</b>			
Reported profit on ordinary activities before taxation		100,954	681,356
Realisation of property revaluation surplus/(deficits) of previous years		-	13,100
Historical cost profit on ordinary activities before taxation		<u>£100,954</u>	<u>£694,456</u>
Historical cost profit on ordinary activities after taxation		<u>£92,491</u>	<u>£683,934</u>
<b>GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>			
Profit for the financial year attributable to members of the parent undertaking		<u>£73,172</u>	<u>£648,449</u>

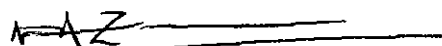


# The West Hartlepool Steam Navigation Company Limited

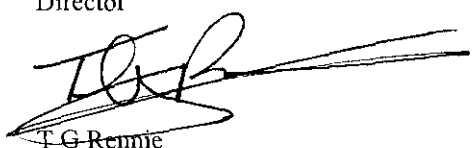
## GROUP BALANCE SHEET

at 31 January 2001

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	10	8,839,600	8,705,426
Investments	11	3,443,778	2,964,645
		<u>12,283,378</u>	<u>11,670,071</u>
<b>CURRENT ASSETS</b>			
Stocks	12	409,102	449,441
Debtors	13	1,002,348	1,183,085
Cash at bank and in hand		2,708,681	3,622,419
		<u>4,120,131</u>	<u>5,254,945</u>
<b>CREDITORS: amounts falling due within one year</b>	14	781,263	935,268
		<u>3,338,868</u>	<u>4,319,677</u>
<b>NET CURRENT ASSETS</b>			
		<u>15,622,246</u>	<u>15,989,748</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>15,622,246</u>	<u>15,989,748</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	-	-
		<u>15,622,246</u>	<u>15,989,748</u>
<b>MINORITY INTERESTS - EQUITY</b>		-	394,492
		<u>£15,622,246</u>	<u>£15,595,256</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	184,729	184,729
Other reserves	18	2,243,091	2,268,660
Profit and loss account	18	13,194,426	13,141,867
		<u>£15,622,246</u>	<u>£15,595,256</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18		
		<u>£15,622,246</u>	<u>£15,595,256</u>
<b>On behalf of the board</b>			



A D Guthe  
Director



T G Rennie  
Director

11 June 2001

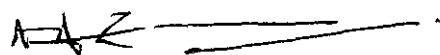
# The West Hartlepool Steam Navigation Company Limited

## BALANCE SHEET

at 31 January 2001

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	10	4,539,151	4,515,791
Investments	11	9,310,093	10,844,098
		<u>13,849,244</u>	<u>15,359,889</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,500	2,500
Debtors	13	21,832	103,605
Cash at bank and in hand		2,568,873	3,533,304
		<u>2,593,205</u>	<u>3,639,409</u>
<b>CREDITORS: amounts falling due within one year</b>	14	589,494	3,875,146
		<u>2,003,711</u>	<u>(235,737)</u>
<b>NET CURRENT ASSETS</b>		<u>15,852,955</u>	<u>15,124,152</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,852,955</u>	<u>15,124,152</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	-	-
		<u>£15,852,955</u>	<u>£15,124,152</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	217,573	217,573
Other reserves	18	2,243,091	2,243,091
Profit and loss account	18	13,392,291	12,663,488
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18	<u>£15,852,955</u>	<u>£15,124,152</u>

On behalf of the board



A D Guthe  
Director



T G Rennie  
Director

11 June 2001

# The West Hartlepool Steam Navigation Company Limited

## GROUP STATEMENT OF CASH FLOWS

for the year ended 31 January 2001

	Notes	2001 £	2000 £
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	3(b)	(182,423)	395,203
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		191,061	265,436
Investment income		96,195	126,268
Dividends paid to minority shareholders in subsidiary undertakings		(4,373)	(8,747)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		282,883	382,957
<b>TAXATION</b>			
Corporation tax paid		(7,294)	(111,985)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(405,863)	(2,183,939)
Receipts from sales of tangible fixed assets		84,164	268,985
Payments to acquire fixed asset investments		(2,657,466)	(1,833,116)
Receipts from sales of fixed asset investments		2,025,943	1,093,688
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		(953,222)	(2,654,382)
<b>EQUITY DIVIDENDS PAID</b>		(46,182)	(46,182)
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Decreases in money market term deposits	20	1,000,000	2,100,000
<b>FINANCING</b>			
Capital element of hire purchase payments	20	(7,500)	(15,000)
<b>NET CASH OUTFLOW FROM FINANCING</b>		(7,500)	(15,000)
<b>INCREASE IN CASH</b>	20	£86,262	£50,611

# The West Hartlepool Steam Navigation Company Limited

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## GROUP STATEMENT OF CASH FLOWS

for the year ended 31 January 2001

	<i>Notes</i>	<i>2001</i> £	<i>2000</i> £
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
Increase in cash in the year	20	86,262	50,611
Net cash outflow from decrease in hire purchase financing	20	7,500	15,000
Net cash outflow from decrease in liquid resources	20	(1,000,000)	(2,100,000)
		<hr/>	<hr/>
Change in net funds resulting from cash flows	20	(906,238)	(2,034,389)
Net funds at 1 February	20	3,614,919	5,649,308
		<hr/>	<hr/>
Net funds at 31 January	20	£2,708,681	£3,614,919
		<hr/>	<hr/>

# The West Hartlepool Steam Navigation Company Limited

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## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

The accounts are prepared under the historical cost convention modified to include the revaluation of certain freehold land and buildings and investment property, and in accordance with applicable accounting standards.

#### *Basis of consolidation*

The group accounts consolidate the accounts of The West Hartlepool Steam Navigation Company Limited and all its subsidiary undertakings drawn up to 31 January each year. No profit and loss account is presented for The West Hartlepool Steam Navigation Company Limited as permitted by section 230 of the Companies Act 1985.

#### *Goodwill*

Goodwill arising on acquisitions prior to 1 February 1998 has been written off immediately to reserves. Goodwill eliminated against reserves, net of goodwill attributable to businesses disposed of before 31 January 1999, is £272,869. The goodwill had been eliminated as a matter of accounting policy and will be credited in the profit and loss account on subsequent disposal of the business to which it relates.

#### *Investment properties*

In accordance with SSAP 19, investment properties have been revalued and the aggregate surplus has been transferred to the revaluation reserve. No depreciation is provided in respect of freehold investment properties.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost or valuation, less depreciation. Depreciation is provided on all tangible fixed assets, other than investment properties, freehold land and certain non-industrial freehold buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	-	over 20 to 50 years
Short leasehold property	-	over the term of the lease
Plant and machinery	-	over 4 to 10 years
Motor vehicles and agricultural equipment	-	over 4 years
Certain hotel expenditure	-	over 5 to 20 years
Fixtures, fittings and office equipment	-	over 4 to 10 years

Depreciation is not provided on certain freehold non-industrial buildings as the group's practice is to maintain these buildings in a continual state of sound repair and it is estimated that the residual value will represent at least the cost as assessed at the time of acquisition. It is considered that these buildings have a life in excess of 100 years. Should any permanent diminution in property value occur, it would be fully provided.

# The West Hartlepool Steam Navigation Company Limited

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## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 1. ACCOUNTING POLICIES (continued)

#### *Leasing and hire purchase commitments*

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### *Investments*

Fixed asset investments are stated at cost less provision for permanent diminution in value.

#### *Pension costs*

The group operates both defined contribution and defined benefit pension schemes which are treated as follows:

##### *Defined contribution schemes*

The scheme funds are administered by trustees and are independent of the group's finances. The group's contributions to the scheme are charged in the profit and loss account as they accrue.

##### *Defined benefit schemes*

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial valuations, are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or a liability in the balance sheet.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis or an average basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 1. ACCOUNTING POLICIES (continued)

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Repairs*

Repairs, except certain repairs to the hotels, are written off to revenue as they are incurred. Certain external repairs to the hotels have been capitalised as part of freehold buildings and are not depreciated.

#### *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

#### *Government grants*

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

### 2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

Group turnover arises primarily in the United Kingdom and can be analysed as follows:

#### *Class of business*

	<i>Turnover</i>	
	<i>2001</i>	<i>2000</i>
	£	£
Manufacturing	4,755,005	4,866,171
Hotels	1,510,600	1,015,209
Property management	4,885	4,881
	<u>£6,270,490</u>	<u>£5,886,261</u>

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 3. OPERATING PROFIT

a) This is stated after charging/(crediting):

	2001 £	2000 £
Rents receivable	(213,345)	(215,228)
Depreciation of owned fixed assets	222,225	157,611
Depreciation of assets held under finance leases and hire purchase contracts	7,500	7,500
Profit on disposal of owned fixed assets	(42,200)	(12,493)
Operating lease rentals		
- plant and machinery	3,396	3,335
- land and buildings	2,350	2,350
Auditors' remuneration		
- audit fees (group)	9,250	8,700
(company)	5,050	5,800
- other fees (group)	2,230	3,597

b) Reconciliation of operating profit to net cash outflow from operating activities

	2001 £	2000 £
Operating (loss)/profit	(455,082)	8,768
Depreciation	229,725	165,111
Profit on sale of tangible fixed assets	(42,200)	(12,493)
Decrease/(increase) in stocks	40,339	(71,155)
Decrease in debtors	152,702	176,927
(Decrease)/increase in creditors	(107,907)	128,045
Net cash (outflow)/inflow from operating activities	£(182,423)	£395,203

### 4. STAFF COSTS

	2001 £	2000 £
Wages and salaries	2,645,068	2,227,589
Social security costs	201,469	170,560
Other pension costs	152,040	80,190
	£2,998,577	£2,478,339



# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 4. STAFF COSTS (continued)

The average number of employees (including directors) during the year was as follows:

	2001 No.	2000 No.
Administration and management	34	41
Other production and sales staff	170	166
	<u>204</u>	<u>207</u>

### 5. DIRECTORS' EMOLUMENTS

The emoluments of the directors were as follows:

	2001 £	2000 £
Emoluments (salaries, fees and benefits in kind)	184,535	150,491
Contributions to defined contribution pension scheme	15,150	14,850
	<u>£199,685</u>	<u>£165,341</u>

The total emoluments (including contributions made to defined contribution pension schemes) of the highest paid director were £88,159 (2000: £84,446).

Directors participating in pension schemes were as follows:

	2001 No.	2000 No.
Defined contribution pension scheme	1	1
Defined benefit pension scheme	2	1
	<u>3</u>	<u>2</u>

The highest paid director is not a member of the defined benefit pension scheme.

### 6. INCOME FROM INVESTMENTS

	2001 £	2000 £
Income from fixed asset investments	103,553	134,574
Profit on sale of investments	261,422	272,578
	<u>£364,975</u>	<u>£407,152</u>

Income from listed investments included above amounted to £77,733 (2000: £92,499).

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Based on the profit for the year:		
Corporation tax at 20%	-	7,635
Tax credits attributable to dividends received	7,358	8,306
Deferred tax (note 16)	-	-
	<u>7,358</u>	<u>15,941</u>
Over provided in previous years:		
Corporation tax	1,105	(5,419)
Group relief receivable	-	-
	<u>£8,463</u>	<u>£10,522</u>

### 8. PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT UNDERTAKING

The profit on ordinary activities after taxation and dividends dealt with in the accounts of the parent undertaking was £728,803 (2000: £450,593).

### 9. DIVIDENDS

	2001 £	2000 £
Preferred ordinary (equity)		
- interim paid 12.5 pence (2000: 12.5 pence)	23,091	23,091
- final proposed 12.5 pence (2000: 12.5 pence)	23,091	23,091
	<u>£46,182</u>	<u>£46,182</u>

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 10. TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Land and buildings £</i>	<i>Plant and equipment £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost or valuation:				
At 1 February 2000	8,134,051	940,598	233,470	9,308,119
Additions	80,343	287,020	38,500	405,863
Disposals	(23,110)	(10,039)	(45,977)	(79,126)
At 31 January 2001	8,191,284	1,217,579	225,993	9,634,856
Depreciation:				
At 1 February 2000	30,788	462,490	109,415	602,693
Charge for the year	4,763	169,966	54,996	229,725
Disposals	-	(9,919)	(27,243)	(37,162)
At 31 January 2001	35,551	622,537	137,168	795,256
Net book value:				
At 31 January 2001	£8,155,733	£595,042	£88,825	£8,839,600
At 31 January 2000	£8,103,263	£478,108	£124,055	£8,705,426
Analysis of cost or valuation:				
Assets revalued between 1992 and 1996 and cost of additions since revaluation	4,003,030	-	-	4,003,030
Assets at cost	4,188,254	1,217,579	225,993	5,631,826
At 31 January 2001	£8,191,284	£1,217,579	£225,993	£9,634,856

The net book value of plant and equipment above includes £Nil (2000: £18,750) in respect of assets held under finance leases and hire purchase contracts.

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 10. TANGIBLE FIXED ASSETS (continued)

#### Company

	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost or valuation:				
At 1 February 2000	4,485,991	63,171	125,478	4,674,640
Additions	78,653	6,861	15,000	100,514
Disposals	(23,110)	(10,039)	(45,977)	(79,126)
At 31 January 2001	4,541,534	59,993	94,501	4,696,028
Depreciation:				
At 1 February 2000	30,788	59,122	68,939	158,849
Charge for the year	4,763	3,180	27,247	35,190
Disposals	-	(9,919)	(27,243)	(37,162)
At 31 January 2001	35,551	52,383	68,943	156,877
Net book value:				
At 31 January 2001	£4,505,983	£7,610	£25,558	£4,539,151
At 31 January 2000	£4,455,203	£4,049	£56,539	£4,515,791
Analysis of cost or valuation:				
Assets revalued between 1992 and 1996 and cost of additions since revaluation	4,001,340	-	-	4,001,340
Assets at cost	540,194	59,993	94,501	694,688
At 31 January 2001	£4,541,534	£59,993	£94,501	£4,696,028

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 10. TANGIBLE FIXED ASSETS (continued)

The net book value of land and buildings comprises:

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	£	£	£	£
Freehold investment properties	4,159,277	4,158,707	4,159,277	4,158,707
Freehold buildings	3,777,951	3,722,636	128,201	74,576
	<hr/>	<hr/>	<hr/>	<hr/>
	7,937,228	7,881,343	4,287,478	4,233,283
Long leasehold & improvements	218,505	221,920	218,505	221,920
	<hr/>	<hr/>	<hr/>	<hr/>
	£8,155,733	£8,103,263	£4,505,983	£4,455,203
	<hr/>	<hr/>	<hr/>	<hr/>

The directors consider that the previous valuations of all of the freehold investment properties above are still appropriate.

#### Asset revaluations:

Certain of the group's freehold investment properties at The Kepwick Estate were valued at 31 January 1992 by Messrs Davis & Bowring, Chartered Surveyors, on an open market basis in the sum of £2,852,300. Other freehold investment properties were valued by the directors. The aggregate surplus has been credited to revaluation surplus.

The historical cost of investment properties was £2,076,560 (2000: £1,997,907).

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 11. FIXED ASSET INVESTMENTS

#### *Group*

	<i>Listed investments</i>	<i>Unlisted investments</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost:			
At 1 February 2000	2,595,648	368,997	2,964,645
Additions	2,022,654	221,000	2,243,654
Disposals	(1,728,541)	(7,485)	(1,736,026)
At 31 January 2001	2,889,761	582,512	3,472,273
Provision for diminution in value:			
At 1 February 2000	-	-	-
Additions	28,495	-	28,495
Disposals	-	-	-
At 31 January 2001	28,495	-	28,495
Net book value:			
At 31 January 2001	£2,861,266	£582,512	£3,443,778
At 31 January 2000	£2,595,648	£368,997	£2,964,645

The market value of the group's listed investments at 31 January 2001 was £2,741,503 (2000: £2,568,933).

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS at 31 January 2001

### 11. FIXED ASSET INVESTMENTS (continued)

<i>Company</i>	<i>Shares in subsidiary companies £</i>	<i>Loans to subsidiary companies £</i>	<i>Listed investments £</i>	<i>Unlisted investments £</i>	<i>Total £</i>
Cost:					
At 1 February 2000	4,197,643	3,811,810	2,595,648	368,997	10,974,098
Additions	413,812	305,334	2,022,654	221,000	2,962,800
Disposals	(2,650,830)	(211,454)	(1,728,541)	(7,485)	(4,598,310)
At 31 January 2001	1,960,625	3,905,690	2,889,761	582,512	9,338,588
Provision for diminution in value:					
At 1 February 2000	130,000	-	-	-	130,000
Additions	-	-	28,495	-	28,495
Disposals	(130,000)	-	-	-	(130,000)
At 31 January 2001	-	-	28,495	-	28,495
Net book value:					
At 31 January 2001	£1,960,625	£3,905,690	£2,861,266	£582,512	£9,310,093
At 31 January 2000	£4,067,643	£3,811,810	£2,595,648	£368,997	£10,844,098

The market value of the company's listed investments at 31 January 2001 was £2,741,503 (2000: £2,568,933).

Included in unlisted investments are loans to directors as follows:

	<i>2001 £</i>	<i>2000 £</i>	<i>Maximum outstanding during the year £</i>
T G Rennie	£30	£1,020	£1020
L S Worthy	£54,740	-	£58,480

The loans are made under the company's House Purchase Policy and are given on similar terms to other employees.

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 11. FIXED ASSET INVESTMENTS (continued)

The subsidiary undertakings at 31 January 2001 were as follows:

	<u>Holding</u>	<u>Proportion of shares held</u>
<u>Manufacturing</u>		
ASL Systems Limited (formerly Assembled Supplies (Electrical) Limited)	10,000 £1 ordinary shares	100%
<u>Hotels</u>		
WHSN Hotels Limited	100,000 £1 ordinary shares	100%
<u>Investment companies</u>		
Guthe Brothers Limited	75,000 £1 ordinary shares	100%
The Dinsdalehall Steamship Co Ltd	489 £100 ordinary shares	100%
The Wiltonhall Steamship Co Ltd	156,000 £1 ordinary shares	100%
<u>Financial Services</u>		
West Hartlepool Financial Services Limited	2 £1 ordinary shares	100%
<u>Non-trading</u>		
West Hartlepool Properties Limited	67,445 £1 ordinary shares	100%
	1,700 £1 4.2% non-cum prefs	100%
Pevensey Castle Limited	1,800 £1 ordinary shares	100%
West Hartlepool Hotels Limited	250,000 £1 ordinary shares	100%
G Davidson & Sons Limited	24,900 £1 'A' ordinary shares	100%
	75,100 £1 'B' ordinary shares	100%
	1,100,000 £1 participating prefs	100%

The investment subsidiary companies hold 32,844 deferred ordinary shares of £1 each in the holding company.

West Hartlepool Properties Limited and Pevensey Castle Limited were dissolved in March 2001. West Hartlepool Hotels Limited and G Davidson & Sons Limited are scheduled to be dissolved in July 2001, resulting from applications made to Companies House in January 2001. (A S Lowrey & Son Limited and ASL (Eurotech) Limited were dissolved in September 2000).



# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 12. STOCKS

	2001	Group 2000	2001	Company 2000
	£	£	£	£
Raw materials and consumables	299,438	291,588	2,500	2,500
Work in progress	67,274	112,613	-	-
Finished goods and goods for resale	42,390	45,240	-	-
	<u>£409,102</u>	<u>£449,441</u>	<u>£2,500</u>	<u>£2,500</u>

### 13. DEBTORS

	2001	Group 2000	2001	Company 2000
	£	£	£	£
Trade debtors	909,694	1,012,448	-	62
Amounts owed by subsidiary companies	-	-	6,489	6,489
Dividends receivable from subsidiaries	-	-	-	13,127
Corporation tax recoverable	10,184	38,219	3,662	38,219
Other debtors	10,713	73,600	10,396	41,445
Prepayments	71,757	58,818	1,285	4,263
	<u>£1,002,348</u>	<u>£1,183,085</u>	<u>£21,832</u>	<u>£103,605</u>

### 14. CREDITORS: amounts falling due within one year

	2001	Group 2000	2001	Company 2000
	£	£	£	£
Obligations under hire purchase contracts	-	7,500	-	-
Trade creditors	489,588	602,611	5,288	3,437
Amounts owed to subsidiary undertakings	-	-	523,252	3,788,711
Corporation tax	-	34,224	-	26,589
Other taxes and social security costs	158,582	169,600	10,915	11,384
Other creditors	8,315	14,299	730	1,430
Accruals	101,687	79,570	26,218	20,504
Proposed dividend	23,091	23,091	23,091	23,091
Dividends due to minority interests	-	4,373	-	-
	<u>£781,263</u>	<u>£935,268</u>	<u>£589,494</u>	<u>£3,875,146</u>

# The West Hartlepool Steam Navigation Company Limited

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## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 15. PENSION COSTS

A subsidiary of the group operates a defined contribution pension scheme. The scheme funds are administered by trustees and are independent of the company's finances.

The company operates a defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company in trustee administered funds. The contributions are determined in accordance with the advice of professional qualified actuaries.

Details of the most recent actuarial valuation of the defined benefit scheme are as follows:

Date of most recent actuarial valuation: 1 February 2000

Method used: Attained age

Main assumptions:

Investment returns 8.5%

Salary increases 7.0%

Future pension increases 4.5%

Market value of  
investments at last  
valuation date:

£2,422,380

Level of funding, being  
the actuarial value of  
the assets as a percentage  
of benefits accrued to members:

102%

Contributions since last  
valuation date as a  
percentage of members'  
pensionable earnings:

Company 11.5%

Employees 4.0%

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 16. PROVISIONS FOR LIABILITIES AND CHARGES

The movements in deferred tax during the current and previous years are as follows:

<i>Group</i>	<i>2001</i> £	<i>2000</i> £
At 1 February	-	-
Transfer to profit and loss account (note 7)	-	-
At 31 January	£ -	£ -

Deferred tax provided in the accounts and the amounts not provided are as follows:

	<i>2001</i> £	<i>Provided</i> <i>2000</i> £	<i>2001</i> £	<i>Not</i> <i>Provided</i> <i>2000</i> £
Capital allowances in advance of depreciation	-	-	-	-
Tax on revaluation surplus of investment properties	-	-	662,600	662,600
Other timing differences	-	-	-	-
Less available capital losses	-	-	(662,600)	(662,600)
	£ -	£ -	£ -	£ -

No deferred tax has been provided on the revaluation surpluses as in the opinion of the directors a liability will not crystallise in the foreseeable future because of the availability of capital losses.

### *Company*

Deferred tax provided in the accounts and the amounts not provided are as follows:

	<i>2001</i> £	<i>Provided</i> <i>2000</i> £	<i>2001</i> £	<i>Not</i> <i>Provided</i> <i>2000</i> £
Capital allowances in advance of depreciation	-	-	-	-
Tax on revaluation surplus of investment properties	-	-	662,600	662,600
Other timing differences	-	-	-	-
Less available capital losses	-	-	(662,600)	(662,600)
	£ -	£ -	£ -	£ -

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 17. SHARE CAPITAL

	2001 No.	2000 No.	2001 £	2000 £
<i>Authorised:</i>				
Preferred ordinary shares of £1 each	267,156	267,156	267,156	267,156
Deferred ordinary shares of £1 each	32,844	32,844	32,844	32,844
	<u>300,000</u>	<u>300,000</u>	<u>£300,000</u>	<u>£300,000</u>
<i>Allotted, called-up and fully paid:</i>				
Preferred ordinary shares of £1 each	184,729	184,729	184,729	184,729
Deferred ordinary shares of £1 each	32,844	32,844	32,844	32,844
	<u>217,573</u>	<u>217,573</u>	<u>217,573</u>	<u>217,573</u>
Share capital held beneficially by subsidiary undertakings:				
Deferred ordinary shares of £1 each	(32,844)	(32,844)	(32,844)	(32,844)
	<u>184,729</u>	<u>184,729</u>	<u>£184,729</u>	<u>£184,729</u>

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	<i>Share Capital £</i>	<i>Capital redemption reserve £</i>	<i>Revaluation reserve £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 February 1999	184,729	34,427	2,247,333	12,539,600	15,006,089
Profit for year	-	-	-	635,349	635,349
Dividends	-	-	-	(46,182)	(46,182)
Revaluation surplus realised on disposal	-	-	(13,100)	13,100	-
At 31 January 2000	184,729	34,427	2,234,233	13,141,867	15,595,256
Profit for year	-	-	-	73,172	73,172
Dividends	-	-	-	(46,182)	(46,182)
Revaluation surplus realised on disposal	-	-	(25,569)	25,569	-
At 31 January 2001	£184,729	£34,427	£2,208,664	£13,194,426	£15,622,246

<i>Company</i>	<i>Share Capital £</i>	<i>Capital redemption reserve £</i>	<i>Revaluation reserve £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 February 1999	217,573	34,427	2,221,764	12,199,795	14,673,559
Profit for year	-	-	-	496,775	496,775
Dividends	-	-	-	(46,182)	(46,182)
Revaluation surplus realised on sale	-	-	(13,100)	13,100	-
At 31 January 2000	217,573	34,427	2,208,664	12,663,488	15,124,152
Profit for year	-	-	-	774,985	774,985
Dividends	-	-	-	(46,182)	(46,182)
Revaluation surplus realised on sale	-	-	-	-	-
At 31 January 2001	£217,573	£34,427	£2,208,664	£13,392,291	£15,852,955

# The West Hartlepool Steam Navigation Company Limited

## NOTES TO THE CONSOLIDATED ACCOUNTS

at 31 January 2001

### 19. OTHER FINANCIAL COMMITMENTS

At 31 January 2001 the group and company had annual commitments under non-cancellable operating leases as set out below:

Group	2001		2000	
	<i>Land and buildings</i> £	<i>Other</i> £	<i>Land and buildings</i> £	<i>Other</i> £
Operating leases which expire:				
Within one year	-	-	-	-
In two to five years	-	-	-	-
In over five years	2,350	-	2,350	-
	<u>£2,350</u>	<u>£ -</u>	<u>£2,350</u>	<u>£ -</u>
<b>Company</b>				
Operating leases which expire:				
Within one year	-	-	-	-
In two to five years	-	-	-	-
In over five years	2,350	-	2,350	-
	<u>£2,350</u>	<u>£2,350</u>	<u>£2,350</u>	<u>£ -</u>

### 20. ANALYSIS OF NET FUNDS

Analysis of the balances as shown in the balance sheet and changes during the current and previous year:

	<i>Cash at bank and in hand</i> £	<i>Bank overdrafts</i> £	<i>Money market term deposits</i> £	<i>Finance leases and hire purchase contracts</i> £	<i>Total</i> £
At 1 February 1999	171,808	-	5,500,000	(22,500)	5,649,308
Cash flows	50,611	-	(2,100,000)	15,000	(2,034,389)
At 31 January 2000	222,419	-	3,400,000	(7,500)	3,614,919
Cash flows	86,262	-	(1,000,000)	7,500	(906,238)
At 31 January 2001	<u>£308,681</u>	<u>£ -</u>	<u>£2,400,000</u>	<u>£ -</u>	<u>£2,708,681</u>

### 21. CONTROL

The controlling party is A D Guthe.