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**DART PLEASURE CRAFT LIMITED**

**REPORT AND ACCOUNTS**

**For the year ended 31st December 2005**

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**Richards & Co.  
Chartered Accountants  
Bristol**

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**REPORT OF THE DIRECTORS**

The directors submit their report and accounts for the year ended 31st December 2005.

**RESULTS AND DIVIDENDS**

The trading profit for the year, after taxation, amounted to £175,922. The directors do not recommend the payment of a dividend.

**REVIEW OF THE BUSINESS**

The principal activity of the company is that of a pleasure and ferry boat operator.

The directors are satisfied that the accounts, as set out, give an adequate review of the company's activities during the year and of its position at the year end. The directors do not anticipate any significant change in the company's activity.

**STATEMENT OF DIRECTORS RESPONSIBILITIES**

in respect of the preparation of 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 to operate; and
- prepare the financial statements in accordance with applicable accounting standards.

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.

**DIRECTORS AND THEIR INTERESTS**

The directors at 31st December 2005 and their interests in the share capital of the ultimate parent company were as follows:-

	Ordinary £1 shares at 31.12.05	at 31.12.04 or date of appointment
Sir William McAlpine	12,657	12,657
D.I. Allan (appointed 18th February 2005)	4,798	4,738
J.G. Butt	2,569	2,454
J.B.S. Cogar	700	700
J. Evans	5,320	5,320
D.J. Madge	2,175	2,175
M.R. Palmer	585	585
J.B. Snell	262	262
A.M.H. Summers	625	625

continued.....

**DART PLEASURE CRAFT LIMITED****REPORT OF THE DIRECTORS**

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**AUDITORS**

The auditors, Messrs. Richards & Co., have indicated their willingness to accept re-appointment under Section 384 (1) of the Companies Act 1985.

**By order of the Board**

**P.R. SMALLWOOD**



**Secretary**

28th March 2006

**DART PLEASURE CRAFT LIMITED****INDEPENDENT AUDITORS REPORT  
to the shareholders of Dart Pleasure Craft Limited**

We have audited the financial statements of Dart Pleasure Craft Limited for the year ended 31st December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and transactions with the company is not disclosed.

We read the Directors Report and consider the implications for our report if we become aware of any apparent misstatements within it.

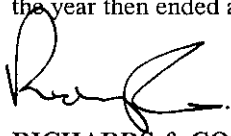
**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31st December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**RICHARDS & CO.**

Registered Auditors,  
Chartered Accountants,  
Bristol.

28th March 2006

**DART PLEASURE CRAFT LIMITED****PROFIT AND LOSS ACCOUNT****For the year ended 31st December 2005**

	Notes	2005 £	2004 £
<b>TURNOVER</b>	2	1,443,429	1,366,430
Cost of sales		(878,027)	(834,119)
Gross profit		565,402	532,311
Administrative expenses		(305,258)	(309,831)
<b>OPERATING PROFIT</b>	3	260,144	222,480
Interest payable	4	(30,941)	(16,091)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		229,203	206,389
Taxation	5	(53,281)	(46,230)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		175,922	160,159
Retained profit brought forward		341,347	181,188
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>517,269</u>	<u>341,347</u>

All of the company's operations are classified as continuing.

The company had no recognised gains or losses other than the profit for the year, as shown above.

# **DART PLEASURE CRAFT LIMITED**

## **BALANCE SHEET AT 31ST DECEMBER 2005**

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,397,872	1,662,263
Investments	7	1,388	1,388
		<u>1,399,260</u>	<u>1,663,651</u>
<b>CURRENT ASSETS</b>			
Stocks	8	41,328	42,860
Debtors	9	123,417	144,440
Cash at bank and in hand		214,513	1,399
		<u>379,258</u>	<u>188,699</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(997,199)</u>	<u>(1,243,778)</u>
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<u>(617,941)</u>	<u>(1,055,079)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		781,319	608,572
<b>PROVISION FOR LIABILITIES</b>			
Deferred taxation	11	<u>(249,550)</u>	<u>(252,725)</u>
		<u>531,769</u>	<u>355,847</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1,000	1,000
Capital reserves		13,500	13,500
Profit and loss account		517,269	341,347
Shareholders funds	13	<u>531,769</u>	<u>355,847</u>

**Signed on behalf of the Board**

J.B.S. COGAR           )  
                                  ) **Directors**  
M.R. PALMER           )

Dated: 28th March 2006



**DART PLEASURE CRAFT LIMITED****CASH FLOW STATEMENT****Year ended 31st December 2005**

	Notes	2005 £	£	2004 £	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	16		311,867		341,409
<b>RETURNS ON INVESTMENTS AND SERVICING OF INCOME</b>					
Interest paid			(30,941)		(16,091)
<b>TAXATION PAID</b>			(41,362)		-
<b>CAPITAL EXPENDITURE</b>					
Payments to acquire tangible fixed assets		(7,839)		-	
Receipts from disposal of tangible fixed assets		<u>230,000</u>	<u>222,161</u>	<u>(48,669)</u>	<u>(48,669)</u>
<b>NET CASH INFLOW BEFORE FINANCING</b>			461,725		276,649
<b>GROUP FINANCING</b>					
Repayments to ultimate parent company			<u>(192,464)</u>		-
<b>INCREASE IN CASH</b>	17		<u>269,261</u>		<u>276,649</u>

**DART PLEASURE CRAFT LIMITED****NOTES TO THE ACCOUNTS**

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**1. ACCOUNTING POLICIES****Basis of accounts**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Consolidation**

The company is not preparing group accounts in accordance with Section 229(2) of the Companies Act 1985 as at the end of the financial period it was the wholly owned subsidiary of Dart Free Houses Limited, a company incorporated in England.

**Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:-

Leasehold property	- over the period of the lease
Property improvements	- over six years
Fixtures and fittings	- over six years
Motor vehicles	- over four years
Moorings	- over twenty years
Motor vessels	- over twenty-five years

The directors consider the useful life of the freehold buildings exceeds fifty years and as a result the corresponding depreciation would not be material and therefore has not been provided during the year.

The directors perform annual impairment reviews of the freehold land and buildings, in accordance with the requirements of FRS 15 and FRS 11, to ensure that the recoverable amount is not lower than the carrying value.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Deferred taxation**

Deferred taxation is provided on the liability method on all timing differences.

**Pensions**

Pension costs which are relative to defined contribution schemes are charged to the profit and loss account on the basis of contributions payable for the year.

**2. TURNOVER**

Turnover represents the value of services provided, stated net of value added tax, during the year.



**DART PLEASURE CRAFT LIMITED****NOTES TO THE ACCOUNTS continued**

	2005 £	2004 £
<b>3. OPERATING PROFIT</b>		
This is stated after accounting for:		
Auditors remuneration - Audit services	4,500	4,500
- Accountancy and taxation services	5,075	5,100
Depreciation	92,372	98,403
(Profit) on disposal of fixed assets	(50,142)	-
Operating lease rentals - land and buildings	<u>34,458</u>	<u>33,925</u>
Directors remuneration		
Aggregate emoluments	<u>32,664</u>	<u>31,716</u>
<b>4. INTEREST PAYABLE</b>		
Bank overdraft	5,249	16,091
Ultimate parent company	<u>25,692</u>	-
	<u>30,941</u>	<u>16,091</u>
<b>5. TAXATION</b>		
<b>Analysis of charge for period</b>		
Current tax		
UK Corporation tax on profits of the period	56,456	41,362
Deferred tax		
Origination and reversal of timing differences	<u>(3,175)</u>	<u>4,868</u>
Tax on profit on ordinary activities	<u>53,281</u>	<u>46,230</u>
<b>Factors affecting tax charge for period</b>		
The tax charge for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:		
Profit on ordinary activities before tax	<u>229,203</u>	<u>206,389</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 : 30%)	68,761	61,917
Effects of :		
Expenses not deductible for tax purposes	221	225
Capital allowances for period in excess of depreciation	-	(5,360)
Depreciation for period in excess of capital allowances	4,239	-
Indexation allowance on capital gains	(2,612)	-
Small companies rate relief	<u>(14,153)</u>	<u>(15,420)</u>
Current tax charge for period	<u>56,456</u>	<u>41,362</u>

**DART PLEASURE CRAFT LIMITED**

**NOTES TO THE ACCOUNTS continued**

**6. TANGIBLE FIXED ASSETS**

	Land and buildings £	Property improvements £	Fixtures, fittings, plant and equipment £	Motor vehicles £	Moorings £	Motor vessels £	Total £
<b>Cost:</b>							
At 1st January 2005	328,349	31,877	166,566	51,164	28,743	1,839,616	2,446,315
Additions	-	-	3,299	-	-	4,540	7,839
Disposals	-	-	-	-	-	(260,140)	(260,140)
At 31st December 2005	<u>328,349</u>	<u>31,877</u>	<u>169,865</u>	<u>51,164</u>	<u>28,743</u>	<u>1,584,016</u>	<u>2,194,014</u>
<b>Depreciation:</b>							
At 1st January 2005	13,019	31,877	115,929	31,182	15,944	576,101	784,052
Charge for the year	9,813	-	12,794	5,149	1,437	63,179	92,372
Disposals	-	-	-	-	-	(80,282)	(80,282)
At 31st December 2005	<u>22,832</u>	<u>31,877</u>	<u>128,723</u>	<u>36,331</u>	<u>17,381</u>	<u>558,998</u>	<u>796,142</u>
<b>Net book value at 1st January 2005</b>	<u>315,330</u>	<u>-</u>	<u>50,637</u>	<u>19,982</u>	<u>12,799</u>	<u>1,263,515</u>	<u>1,662,263</u>
<b>Net book value at 31st December 2005</b>	<u>305,517</u>	<u>-</u>	<u>41,142</u>	<u>14,833</u>	<u>11,362</u>	<u>1,025,018</u>	<u>1,397,872</u>

The net book value of land and buildings comprises:

Freehold	149,000
Short leasehold	156,517
	<u>305,517</u>

**DART PLEASURE CRAFT LIMITED****NOTES TO THE ACCOUNTS continued****7. FIXED ASSET INVESTMENTS**

	<b>Subsidiary company £</b>
<b>Cost:</b>	
At 1st January 2005	16,080
At 31st December 2005	<u>16,080</u>
<b>Provision:</b>	
At 1st January 2005	14,692
At 31st December 2005	<u>14,692</u>
<b>Net book value 1st January 2005</b>	<u>1,388</u>
<b>Net book value 31st December 2005</b>	<u><u>1,388</u></u>

**SUBSIDIARY COMPANY**

The company holds 100% of the allotted share capital of the following subsidiary, which is incorporated in England:

<b>Non trading</b>	<b>Activity</b>
The Dart Maritime Enterprise Limited	Dormant

The following details are in respect of the year ended 31st December 2005

	<b>Aggregate capital and reserves £</b>	<b>Profit for the financial year £</b>
The Dart Maritime Enterprise Limited	<u>1,460</u>	<u>-</u>

**8. STOCKS**

	<b>2005 £</b>	<b>2004 £</b>
Consumable stores	36,925	39,065
Goods for resale	<u>4,403</u>	<u>3,795</u>
	<u><u>41,328</u></u>	<u><u>42,860</u></u>

**9. DEBTORS**

Trade debtors	6,885	14,654
Other debtors	8,781	17,380
Amounts owed by group undertakings	97,900	97,900
Prepayments	<u>9,851</u>	<u>14,506</u>
	<u><u>123,417</u></u>	<u><u>144,440</u></u>

**DART PLEASURE CRAFT LIMITED****NOTES TO THE ACCOUNTS continued**

	<b>2005</b>	<b>2004</b>
	£	£
<b>10. CREDITORS: amounts falling due within one year</b>		
Bank overdraft (see below)	-	56,147
Trade creditors	63,301	78,258
Amounts owed to group undertakings	841,707	1,034,171
Current corporation tax	56,456	41,362
Other taxes and social security costs	9,596	9,701
Accruals	26,139	24,139
	<u>997,199</u>	<u>1,243,778</u>
The bank overdraft is secured by a charge over the assets of the company		
<b>11. DEFERRED TAXATION</b>		
Balance at 1st January 2005	252,725	247,857
Utilised during the year	(3,175)	-
Charge for year	-	4,868
Balance at 31st December 2005	<u>249,550</u>	<u>252,725</u>
The amount provided is in respect of capital allowances in advance of depreciation		
<b>12. SHARE CAPITAL</b>		
Authorised, allotted, called up and fully paid		
Ordinary shares of 25p each	<u>1,000</u>	<u>1,000</u>
<b>13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS</b>		
Profit for the financial year	175,922	160,159
Other recognised gains and losses relating to the year	-	-
Net addition to shareholders funds	175,922	160,159
Opening shareholders funds	<u>355,847</u>	<u>195,688</u>
Closing shareholders funds	<u>531,769</u>	<u>355,847</u>

**DART PLEASURE CRAFT LIMITED****NOTES TO THE ACCOUNTS continued**

	2005 £	2004 £
<b>14. HOLDING COMPANY</b>		
The ultimate holding company of this company is Dart Valley Railway plc which is registered in England.		
<b>15. STAFF COSTS</b>		
Wages and salaries	524,770	515,855
Social security costs	43,870	41,749
	<u>568,640</u>	<u>557,604</u>
The average monthly number of employees during the year was made up as follows:-		
	No.	No.
Office and management	5	6
Manual	34	35
	<u>39</u>	<u>41</u>

**DART PLEASURE CRAFT LIMITED****NOTES TO THE CASH FLOW STATEMENT**

	2005	2004	
	£	£	
<b>16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating profit	260,144	222,480	
Depreciation	92,372	98,403	
Profit on disposal of fixed assets	(50,142)	-	
(Increase) decrease in stocks	1,532	1,430	
(Increase) decrease in debtors	21,023	(5,261)	
Increase (decrease) in creditors	<u>(13,062)</u>	<u>24,357</u>	
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u><u>311,867</u></u>	<u><u>341,409</u></u>	
<b>17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (DEBT)</b>			
Increase in cash	<u>269,261</u>	<u>276,649</u>	
Change in net funds (note 18)	269,261	276,649	
Net funds (debt) at 1st January 2005	<u>(54,748)</u>	<u>(331,397)</u>	
Net funds (debt) at 31st December 2005	<u><u>214,513</u></u>	<u><u>(54,748)</u></u>	
<b>18. ANALYSIS OF CHANGES IN NET FUNDS</b>			
	<b>At</b>	<b>Cash</b>	<b>At</b>
	<b>31.12.04</b>	<b>flows</b>	<b>31.12.05</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand	1,399	65	1,464
Cash at bank	-	213,049	213,049
Bank overdraft	<u>(56,147)</u>	<u>56,147</u>	<u>-</u>
	<u><u>(54,748)</u></u>	<u><u>269,261</u></u>	<u><u>214,513</u></u>