DAVTEE INVESTMENTS LIMITED

FINANCIAL STATEMENTS

31ST MARCH 2000

Registered number: 01039021

STEWART & CO.

CHARTERED ACCOUNTANTS

Camberley

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COMPANIES HOUSE 11/11/00

DAVTEE INVESTMENTS LIMITED

FINANCIAL STATEMENTS

for the year ended 31st March 2000

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The following page does not form part of the statutory accounts

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DAVTEE INVESTMENTS LIMITED

COMPANY INFORMATION

31st March 2000

NUMBER	01039021
DIRECTORS	D.R. Nobes Esq.
SECRETARY	Mrs J.E. Nobes
REGISTERED OFFICE	Knoll House Knoll Road Camberley Surrey GU15 3SY
BANKERS	Lloyds Bank Plc Black Horse House Jacobs Yard London Street Basingstoke Hampshire RG21 7NT
ACCOUNTANTS	Stewart & Co. Chartered Accountants Knoll House Knoll Road Camberley GU15 3SY

DAVTEE INVESTMENTS LIMITED

DIRECTORS' REPORT

31st March 2000

The directors present their report and the financial statements for the year ended 31st March 2000.

Principal activity

The principal activity of the company is that of property development and investment.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st March 2000 Ordinary shares	1st April 1999 Ordinary shares
D.R. Nobes Esq.	55	55

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

Mrs J.E. Nobes
Secretary

Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

2 November 2000

DAVTEE INVESTMENTS LIMITED

ACCOUNTANTS' REPORT

Accountants' report to the directors on the unaudited financial statements of Davtee Investments Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st March 2000, set out on pages 4 to 11, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Stewart & Co

Camberley
2 November 2000

Stewart & Co.
Chartered Accountants

DAVTEE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st March 2000

	Note	2000 £	1999 £
Turnover	2	2,417	273,251
Cost of sales		(2,070)	(260,085)
Gross profit		347	13,166
Net operating expenses			
Administrative expenses		(106,843)	(119,043)
Other operating income		117,595	95,660
Operating profit/(loss)	3	11,099	(10,217)
Interest payable	5	(310)	(7,118)
Profit/(loss) on ordinary activities before taxation		10,789	(17,335)
Taxation	6	-	-
Profit/(loss) on ordinary activities after taxation retained for the year	15	10,789	(17,335)

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 2000 or 1999 other than the profit/(loss) for the year.

DAVTEE INVESTMENTS LIMITED

BALANCE SHEET

at 31st March 2000

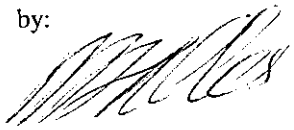
	Note	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	7		742,619		748,594
Current assets					
Debtors	9	8,854		8,674	
Cash at bank and in hand		42,653		23,623	
		51,507		32,297	
Creditors: amounts falling due within one year	10	(50,981)		(47,465)	
Net current assets/(liabilities)			526		(15,168)
Total assets less current liabilities			743,145		733,426
Creditors: amounts falling due after more than one year	11		-		(1,070)
			743,145		732,356
Capital and reserves					
Called up share capital	13		100		100
Revaluation reserve	14		82,000		82,000
Profit and loss account	15		661,045		650,256
Total shareholders' funds, all equity interests	12		743,145		732,356

The directors consider that for the year ended 31st March 2000 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 11 were approved by the board of directors on 2 November 2000 and signed on its behalf by:



D.R. Nobes Esq.
Director

DAVTEE INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

1 Accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost convention, except for certain fixed asset categories for which there is a policy of revaluation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the carrying amount and the net sale proceeds.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover
Turnover represents the amount derived from the provision of goods and services after deduction of trade discounts and value added tax.

Tangible fixed assets
Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	0% per annum
Freehold buildings	2% per annum
Leasehold land and buildings	Straight line over lease period
Freehold investment property	See accounting policy below
Plant and machinery	15% per annum on the reducing balance
Motor vehicles	25% per annum on the reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss account.

Leases and hire purchase contracts
Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation
Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme
Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

DAVTEE INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

1 **Accounting policies** continued

Freehold Investment Properties

In accordance with SSAP 19 :

i) investment properties are valued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and

ii) no depreciation or amortisation is provided in respect of freehold properties and leasehold properties with over 20 years to run.

The Companies Act 1985 requires all properties to be depreciated. However this requirement conflicts with the generally accepted principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the result for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2 **Turnover**

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1999 nil).

3 **Operating profit/(loss)**

	2000 £	1999 £
Operating profit/(loss) is stated after crediting:		
Net rental income	115,107	94,708
Interest receivable	37	-
and after charging:		
Auditors' remuneration	-	2,500
Operating leases:		
Rent	15,261	12,112
Loss on sale of assets	92	1,625
Depreciation of tangible fixed assets (note 7):		
Owned assets	2,695	1,945
Leased assets	3,188	4,702
	5,883	6,647
The total amount charged against profits in respect of finance leases and hire purchase contracts is (of which part is shown as depreciation and the balance is shown as interest payable in note 5)	3,498	5,434

DAVTEE INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

4 Directors

	2000 £	1999 £
Directors' emoluments	34,834	43,167
During the year the following number of directors accrued retirement benefits under:	**Number**	**Number**
Money purchase pension schemes	1	1

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,134 (1999 £7,134) including contributions in respect of employees.

5 Interest payable

	2000 £	1999 £
Finance lease and hire purchase contracts	310	732
Other interest payable	-	6,386
	310	7,118

6 Taxation

	2000 £	£	1999 £	£
UK Corporation tax:				
Current tax on income for the period at 20% (1999 21%)		2,343		-
ACT recoverable		(2,343)		-
		-		-

DAVTEE INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

7 Tangible fixed assets

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Leasehold Buildings £	Freehold Buildings £	Total £
1st April 1999	26,173	13,161	1	725,697	765,032
Disposals	-	(469)	-	-	(469)
31st March 2000	26,173	12,692	1	725,697	764,563
Depreciation					
1st April 1999	9,553	6,885	-	-	16,438
Charge for the year	4,155	941	-	787	5,883
Disposals	-	(377)	-	-	(377)
31st March 2000	13,708	7,449	-	787	21,944
Net book amount					
31st March 2000	12,465	5,243	1	724,910	742,619
1st April 1999	16,620	6,276	1	725,697	748,594

The net book amount of fixed assets includes £9,562 (1999 £15,310) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

Investment properties, included within freehold buildings, are revalued annually, based upon market value for existing use, by the director Mr D.R. Nobes and any material change in the valuation is reflected within the financial statements.

The total revaluation surplus to date amounts to £82,000, which has been transferred to reserves.

No provision has been made for UK Corporation Tax that might arise, should the freehold properties be disposed at the values currently disclosed in these financial statements.

8 Land and buildings

	2000 £	1999 £
Assets held at valuation		
Freehold land and buildings at valuation		
Freehold land and buildings revalued amount	724,910	725,697
Historical cost information		
Freehold land and buildings historical cost	642,910	643,697

DAVTEE INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

9 Debtors

	2000 £	1999 £
Amounts falling due within one year		
Other debtors	2,749	3,154
Prepayments and accrued income	6,105	5,520
	8,854	8,674

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Payments on account	19,156	13,159
Trade creditors	-	794
Other taxation and social security	1,392	1,268
Other creditors	18,742	15,998
Accruals and deferred income	10,519	11,777
Obligations under finance leases and hire purchase contracts - note 11	1,172	4,469
	50,981	47,465

The bank overdraft is secured by various charges over freehold properties.

11 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Other liabilities		
Obligations under finance leases and hire purchase contracts	-	1,070
	-	1,070

Obligations under finance leases and hire purchase contracts

Amounts included above are repayable over varying periods by monthly instalments as follows:

In the next year	1,172	4,469
In the second to fifth years	-	1,070
	1,172	5,539

DAVTEE INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

12 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit/(loss) for the financial year	10,789	(17,335)
representing a **Net addition to/(subtraction from) shareholders' funds**		
Opening shareholders' funds	732,356	749,691
Closing shareholders' funds	743,145	732,356

13 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	100	100	100	100
Allotted, called up and fully paid				
Ordinary shares of £1 each	100	100	100	100

14 Revaluation reserve

	2000 £
1st April 1999 and 31st March 2000	82,000

15 Profit and loss account

	2000 £
1st April 1999	650,256
Retained profit for the year	10,789
31st March 2000	661,045

16 Related parties

The company is controlled by D R Nobes, the director, by virtue of his majority shareholding in the company. At the balance sheet date the company owed Mr Nobes £2,598 (1999:£1,025). At the year end the company was owed £1,528 (1999: £1,331) by Davtee Construction Limited, a company in which D R Nobes is also a director and controlling shareholder.