



LLANOVER PROPERTIES LIMITED

Report and Financial Statements

31 March 2000

**Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF24 0TS**



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R A E Herbert, CBE
R E Phillips, F R I C S

SECRETARY

D G Metters

REGISTERED OFFICE

23a Gold Tops
Newport
South Wales
NP20 4UL

BANKERS

Leopold Joseph & Sons Limited

AUDITORS

Deloitte & Touche
Chartered Accountants

DIRECTORS' REPORT

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

ACTIVITIES

The company is engaged in the business of trading in land, letting property and investment dealing.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results of the company for the year are set out in the profit and loss account on page 4 and the position of the company at the year end is shown in the balance sheet on page 5.

The directors consider that the company is well placed to trade profitably in the future.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (1999 - £Nil).

DIRECTORS

The present membership of the Board is set out on page 1. Both directors served throughout the year.

The directors' beneficial interests, as defined by the Companies Act 1985, in the £1 ordinary shares of the company were as follows:

	2000	1999
	£	£
	No.	No.
R A E Herbert	9,998	9,998
R E Phillips	1	1

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

D G Metters



Secretary

Date 12/1/2001

AUDITORS' REPORT TO THE MEMBERS OF LLANOVER PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

Company law requires the directors to prepare financial statements, which are required to be prepared in accordance with United Kingdom Law and Accounting Standards, for each financial year 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 the profit or loss of the company for that period. In preparing these financial statements the directors are required to select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. It is also the directors responsibility to keep proper accounting records, safeguard the assets of the company and take reasonable steps to prevent and detect fraud and other irregularities.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs 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.

Deloitte & Touche
Deloitte & Touche

Chartered Accountants
and Registered Auditors

Date *18 May 2001*

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2000

	Note	2000 £	1999 £
TURNOVER: continuing operations	2	232,133	30,507
Cost of sales		-	-
Gross profit		232,133	30,507
Income from fixed asset investments		44,047	52,198
Administrative expenses		(307,182)	(136,171)
OPERATING LOSS – continuing operations		(31,002)	(53,466)
Release/(provision) against fixed asset investments		9,700	(4,700)
Profit on sale of fixed asset investments		92,436	-
Interest receivable and similar income	4	143,085	264,741
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	214,219	206,575
Tax on profit on ordinary activities	6	(41,589)	(50,168)
RETAINED PROFIT FOR THE FINANCIAL YEAR	11	172,630	156,407

There are no recognised gains or losses for the current and prior years other than as stated in the profit and loss account.

There are no movements in shareholders' funds other than as stated in the profit and loss account.

BALANCE SHEET
31 March 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible fixed assets	7	1,544,290		1,545,336	
Investments	8	<u>897,719</u>		<u>856,992</u>	
			2,442,009		2,402,328
CURRENT ASSETS					
Stocks		10,099		10,099	
Other debtors and prepayments		72,371		93,851	
Amounts due from subsidiary		75,825		-	
Cash at bank		<u>1,560,244</u>		<u>1,353,383</u>	
		<u>1,718,539</u>		<u>1,457,333</u>	
CREDITORS: amounts falling due within one year					
Other creditors including taxation and social security	9	<u>327,202</u>		<u>197,598</u>	
NET CURRENT ASSETS			<u>1,391,337</u>		<u>1,259,735</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,833,346		3,662,063
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	10		<u>(10,495)</u>		<u>(11,842)</u>
			<u>3,822,851</u>		<u>3,650,221</u>
CAPITAL AND RESERVES					
Called up share capital	12		20,000		20,000
Capital reserve	11		519,045		426,609
Profit and loss account	11		<u>3,283,806</u>		<u>3,203,612</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>3,822,851</u>		<u>3,650,221</u>

These financial statements were approved by the Board of Directors on 12 JANUARY 2001

Signed on behalf of the Board of Directors

R A E Herbert, CBE

Director.....

R E Phillips, F R I C S

Director.....

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Group accounts

Group accounts have not been prepared as the group is entitled to the exemption conferred by Section 248 Companies Act 1985 from the requirements to prepare group accounts. These financial statements therefore present information concerning Llanover Properties Limited only.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	-	2%
Motor vehicles	-	25%

Investment properties

The company's freehold land and buildings at Tysons Courtyard, Corby, are treated as investment properties, as defined by Statement of Standard Accounting Practice No. 19. Accordingly, they are not depreciated. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been shown cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

Stocks

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

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations, in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

Investments

Fixed asset investments are stated at cost less provision for any impairment.

2. TURNOVER

	2000 £	1999 £
Rents receivable	232,133	30,507

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Directors' emoluments	80,300	80,300
Social security costs	10,456	8,000
	<u>90,756</u>	<u>88,300</u>

There are no employees other than the directors.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Bank interest	78,568	264,741
Interest rate swaps	64,517	-
	<u>143,085</u>	<u>264,741</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration	1,750	1,500
Depreciation - owned assets	1,846	1,846
and after crediting:		
Income from listed investments	<u>44,047</u>	<u>52,198</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
United Kingdom corporation tax at 31% (1999 - 31%)	42,936	40,591
Deferred taxation	(1,347)	(863)
Tax credits on franked investment income	-	10,440
	<u>41,589</u>	<u>50,168</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

7. TANGIBLE FIXED ASSETS

	Total £	Cordes Trading Estate £	Abercarn Industrial Estate £	Belmont Road Abergavenny £	Motor Vehicles £	Investment property Tyson Courtyard Corby £
Cost:						
At 1 April 1999	1,580,536	37,212	59,799	1	2,900	1,480,624
Additions	800	-	-	-	-	800
At 31 March 2000	1,581,336	37,212	59,799	1	2,900	1,481,424
Depreciation:						
At 1 April 1999	35,200	13,568	18,732	-	2,900	-
Charge for year	1,846	750	1,096	-	-	-
At 31 March 2000	37,046	14,318	19,828	-	2,900	-
Net book value:						
At 31 March 2000	1,544,290	22,894	39,971	1	-	1,481,424
At 31 March 1999	1,545,336	23,644	41,067	1	-	1,480,624

The directors consider that the market value of the investment property at 31 March 2000 was not materially different to the cost.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

8. INVESTMENTS

	Subsidiary £	Other Listed £	Other Unlisted £	Total £
Cost				
At 1 April 1999	-	866,692	-	866,692
Additions	10,000	-	110,003	120,003
Disposals	-	(88,976)	-	(88,976)
	<u>10,000</u>	<u>777,716</u>	<u>110,003</u>	<u>897,719</u>
At 31 March 2000				
Provisions:				
At 1 April 1999	-	9,700	-	9,700
Release of provision	-	(9,700)	-	(9,700)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2000	-	-	-	-
Net book value				
At 31 March 2000	<u>10,000</u>	<u>777,716</u>	<u>110,003</u>	<u>897,719</u>
At 31 March 1999	<u>-</u>	<u>856,992</u>	<u>-</u>	<u>856,992</u>

The market value of the listed investments at 31 March 2000 was £1,181,496 (1999 - £1,059,817). The listed investments include 187,539 (1999 - 187,539) £1 ordinary shares in Leopold Joseph plc. R A E Herbert, CBE is a Director of Leopold Joseph plc.

The investment in the subsidiary relates to a 100% holding in Llanover Properties (Corby) Limited a company registered in England and Wales. The company whose principal activity is that of property investment, was incorporated during December 1999 and during the period to 31 March 2000, made a profit of £2,045 and had net assets of £12,045 at that date.

9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2000 £	1999 £
This heading including:		
Taxation and social security	<u>91,671</u>	<u>40,590</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

10. DEFERRED TAXATION

	£
Provision brought forward	11,842
Credit to profit and loss account	(1,347)
	<hr/>
Provision carried forward	10,495
	<hr/>

The potential amount of deferred taxation provided at 30% (1999 - 31%) in the financial statements and the potential amount not provided are:

	2000	Provided 1999	2000	Unprovided 1999
	£	£	£	£
Capital allowances in excess of depreciation	10,495	11,842	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

11. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £	Capital reserve £
At 1 April 1999	3,203,612	426,609
Transfer of profit on sale of fixed asset investments	(92,436)	92,436
Profit for the year	172,630	-
	<hr/>	<hr/>
At 31 March 2000	3,283,806	519,045
	<hr/>	<hr/>

The company's Articles require profits arising on sale of fixed assets to be transferred to capital reserve.

12. CALLED UP SHARE CAPITAL

	Authorised £	Allotted and fully paid 2000	1999
	£	£	£
Ordinary shares of £1 each	20,000	20,000	20,000
	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS**Year ended 31 March 2000****13. TRANSACTIONS WITH RELATED PARTIES**

Name of related party	Director with a significant interest
Newbridge Construction Limited	R A E Herbert, CBE & R E Phillips, F R I C S
Trustees of Llanarth Estate	R A E Herbert, CBE
R E Phillips & Partners	R E Phillips, F R I C S
Pontymister Developments Limited	R E Phillips, F R I C S
Concorde Homes Limited	R E Phillips F R I C S

During the year Llanover Properties Limited made purchases from the above related parties of £66,109 (1999 - £45,555).

14. CONTINGENT LIABILITY

The company has entered into forward rate agreements. Any future gains or losses on the agreements will be dependent on prevailing future interest rates.