



LLANOVER PROPERTIES LIMITED

Report and Financial Statements

31 March 1999

**Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF2 1TS**



**REPORT AND FINANCIAL STATEMENTS 1999**

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R A E Herbert, J P, D L
R E Phillips, F R I C S

SECRETARY

D G Metters

REGISTERED OFFICE

23a Gold Tops
Newport
South Wales
NP9 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 1999.

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 (1998 - £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:

	1999	1998
	£	£
	No.	No.
R A E Herbert	9,998	9,998
R E Phillips	1	1

YEAR 2000

The directors have considered the impact of the Year 2000 issue on the operations of the company and consider that there will be no significant disruption or costs incurred in respect of this matter.

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 8/11/99



AUDITORS' REPORT TO THE MEMBERS OF LLANOVER PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 10 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 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 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 1999 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 *1 January 2000*

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1999

	Note	1999 £	1998 £
TURNOVER: continuing operations	2	30,507	4,535,473
Cost of sales		-	(544,537)
Gross profit		30,507	3,990,936
Other operating income		-	482
Income from fixed asset investments		52,198	30,000
Administrative expenses		(136,171)	(127,562)
OPERATING (LOSS)/PROFIT - continuing operations		(53,466)	3,893,856
Provision against fixed asset investments		(4,700)	(5,000)
Interest receivable	4	264,741	91,102
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	206,575	3,979,958
Tax on profit on ordinary activities	6	(50,168)	(1,229,620)
RETAINED PROFIT FOR THE FINANCIAL YEAR	11	156,407	2,750,338

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 1999

	Note	£	1999 £	£	1998 £
FIXED ASSETS					
Tangible fixed assets	7	1,545,336		66,558	
Investments	8	856,992		366,981	
			2,402,328		433,539
CURRENT ASSETS					
Stocks		10,099		10,099	
Other debtors and prepayments		93,851		56,114	
Cash at bank		1,353,383		4,939,533	
		1,457,333		5,005,746	
CREDITORS: amounts falling due within one year					
Other creditors including taxation and social security	9	197,598		1,932,766	
NET CURRENT ASSETS			1,259,735		3,072,980
TOTAL ASSETS LESS CURRENT LIABILITIES			3,662,063		3,506,519
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	10		(11,842)		(12,705)
			3,650,221		3,493,814
CAPITAL AND RESERVES					
Called up share capital	12		20,000		20,000
Capital reserve	11		426,609		426,609
Profit and loss account	11		3,203,612		3,047,205
TOTAL EQUITY SHAREHOLDERS' FUNDS			3,650,221		3,493,814

These financial statements were approved by the Board of Directors on

S/11/99

Signed on behalf of the Board of Directors

R A E Herbert, J P, D L

Director.....

R E Phillips, F R I C S

Director.....


NOTES TO THE ACCOUNTS
Year ended 31 March 1999
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.

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%

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 permanent diminution in value.

2. TURNOVER

	1999 £	1998 £
Sale of land	-	4,514,793
Rents receivable	30,507	20,680
	<u>30,507</u>	<u>4,535,473</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1999 £	1998 £
Directors' emoluments	80,300	100,200
Social security costs	8,000	10,000
	<u>88,300</u>	<u>110,200</u>

There are no employees other than the directors.



NOTES TO THE ACCOUNTS

Year ended 31 March 1999

4. INTEREST RECEIVABLE

	1999 £	1998 £
Bank interest	264,741	86,982
Related company loan	-	4,120
	<u>264,741</u>	<u>91,102</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £	1998 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration	750	750
Depreciation - owned assets	1,846	1,846
and after crediting:		
Income from listed investments	<u>52,198</u>	<u>30,000</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
United Kingdom corporation tax at 31% (1998 - 31%)	40,591	1,225,815
Deferred taxation	(863)	129
Tax credits on franked investment income	10,440	6,000
Adjustment in respect of prior years	-	(2,324)
	<u>50,168</u>	<u>1,229,620</u>


NOTES TO THE ACCOUNTS
Year ended 31 March 1999
7. TANGIBLE FIXED ASSETS

	Total	Cordes Trading Estate	Abercarn Industrial Estate	Belmont Road Abergavenny	Motor vehicles	Tyson Courtyard Corby
	£	£	£	£	£	£
Cost:						
At 1 April 1998	99,912	37,212	59,799	1	2,900	-
Additions	1,480,624	-	-	-	-	1,480,624
At 31 March 1999	1,580,536	37,212	59,799	1	2,900	1,480,624
Depreciation:						
At 1 April 1998	33,354	12,818	17,636	-	2,900	-
Charge for year	1,846	750	1,096	-	-	-
At 31 March 1999	35,200	13,568	18,732	-	2,900	-
Net book value:						
At 31 March 1999	1,545,336	23,644	41,067	1	-	1,480,624
At 31 March 1998	66,558	24,394	42,163	1	-	-

8. INVESTMENTS

	£
Listed	
Cost at 1 April 1998	371,981
Additions	494,711
Cost at 31 March 1999	866,692
Provisions:	
At 1 April 1998	5,000
Charge	4,700
At 31 March 1999	9,700
Net book value	
At 31 March 1999	856,992
At 31 March 1998	366,981

The listed investment comprises 187,539 (1998 - 120,000) £1 ordinary shares in Leopold Joseph PLC, 20,000 (1998 - 20,000) 50 pence shares in Mountcashel PLC and 70,000 (1998 - nil) £1 ordinary shares in Land Improvements Plc. The market values at 31 March 1999 were £974,267 and £10,300 and £75,250 respectively (1998 - £711,000 and £15,000 and nil respectively). R A E Herbert JP, DL is a Director of Leopold Joseph Plc and Land Improvements Plc.

NOTES TO THE ACCOUNTS
Year ended 31 March 1999

9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	1999 £	1998 £
This heading including:		
Taxation and social security	40,590	1,922,626

10. DEFERRED TAXATION

	£
Provision brought forward	12,705
Credit to profit and loss account (note 6)	(863)
Provision carried forward	11,842

The potential amount of deferred taxation provided at 31% (1998 - 31%) in the financial statements and the potential amount not provided are:

	1999 £	Provided 1998 £	1999 £	Unprovided 1998 £
Capital allowances in excess of depreciation	11,842	12,705	-	-

11. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £	Capital reserve £
At 1 April 1998	3,047,205	426,609
Profit for the year	156,407	-
At 31 March 1999	3,203,612	426,609

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 1999 £	1998 £
Ordinary shares of £1 each	20,000	20,000	20,000

NOTES TO THE ACCOUNTS
Year ended 31 March 1999

13. TRANSACTIONS WITH RELATED PARTIES

Name of related party	Director with a significant interest
Newbridge Construction Limited	R A E Herbert, J P, D L & R E Phillips, F R I C S
Trustees of Llanarth Estate	R A E Herbert, J P, D L
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 £45,555 (1998 - £436,695).