

**Deloitte &
Touche**

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Tohmatsu
International



Company Registration No. 734316

**REGISTRAR
OF
COMPANIES**

LLANOVER PROPERTIES LIMITED

Report and Financial Statements

31 March 1997

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





REPORT AND FINANCIAL STATEMENTS 1997

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REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

J E Catherall, F S C A

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 1997.

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 (1996 - £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 remained unchanged during the year and were as follows:

	No.
R A E Herbert	10,099
R E Phillips	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

J E Catherall

Secretary

Date: **6 OCT 1997**



Chartered Accountants

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

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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 1997 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 17 October 1997

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1997

	Note	1997 £	1996 £
TURNOVER: continuing operations	2	23,661	21,622
Cost of sales		-	(15,057)
Gross profit		23,661	6,565
Other operating income		30,428	5
Income from fixed asset investments		29,250	28,125
Administrative expenses		(20,836)	(17,675)
OPERATING PROFIT - continuing operations		62,503	17,020
Interest receivable	4	16,626	13,667
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	79,129	30,687
Tax on profit on ordinary activities	6	(17,360)	(1,081)
RETAINED PROFIT FOR THE FINANCIAL YEAR	11	61,769	29,606

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 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible fixed assets	7	68,404		70,550	
Investments	8(a)	371,981		371,981	
			440,385		442,531
CURRENT ASSETS					
Stocks	1(c)	71,057		53,864	
Other debtors and prepayments		5,755		1,448	
Investments	8(b)	90,000		90,000	
Cash at bank		172,136		112,228	
		338,948		257,540	
CREDITORS: amounts falling due within one year					
Other creditors including taxation and social security	9	23,281		4,577	
NET CURRENT ASSETS			315,667		252,963
TOTAL ASSETS LESS CURRENT LIABILITIES			756,052		695,494
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	10		(12,576)		(13,787)
			743,476		681,707
CAPITAL AND RESERVES					
Called up share capital	12		20,000		20,000
Capital reserve	11		426,609		396,212
Profit and loss account	11		296,867		265,495
TOTAL EQUITY SHAREHOLDERS' FUNDS			743,476		681,707

These financial statements were approved by the Board of Directors on
 Signed on behalf of the Board of Directors

13 OCT 1997

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

Directors



NOTES TO THE ACCOUNTS

Year ended 31 March 1997

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. Current asset investments are stated at the lower of cost and market value.

2. TURNOVER

	1997	1996
	£	£
Rents receivable	23,661	21,622

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company's only employees are its two directors who received remuneration totalling £300 during the year (1996 - £300).


NOTES TO THE ACCOUNTS
Year ended 31 March 1997
4. INTEREST RECEIVABLE

	1997 £	1996 £
Bank interest	7,190	7,651
Related company loan (note 8(b))	9,436	6,016
	<u>16,626</u>	<u>13,667</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997 £	1996 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration	500	500
Depreciation - owned assets	1,846	2,571
and after crediting:		
Income from listed investments	<u>29,250</u>	<u>28,125</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
United Kingdom corporation tax at 24% (1996 - 25%)	12,346	1,084
Deferred taxation	(1,211)	(516)
Tax credits on franked investment income	5,850	5,625
Adjustment in respect of prior years	375	(5,112)
	<u>17,360</u>	<u>1,081</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1997

7. TANGIBLE FIXED ASSETS

	Total £	Cordes Trading Estate £	Abercarn Industrial Estate £	Belmont Road Abergavenny £	Motor vehicles £
Cost:					
At 1 April 1996	100,212	37,512	59,799	1	2,900
Disposals	(300)	(300)	-	-	-
31 March 1997	<u>99,912</u>	<u>37,212</u>	<u>59,799</u>	<u>1</u>	<u>2,900</u>
Depreciation:					
At 1 April 1996	29,662	11,318	15,444	-	2,900
Provisions	1,846	750	1,096	-	-
At 31 March 1997	<u>31,508</u>	<u>12,068</u>	<u>16,540</u>	<u>-</u>	<u>2,900</u>
Net book value:					
At 31 March 1997	<u>68,404</u>	<u>25,144</u>	<u>43,259</u>	<u>1</u>	<u>-</u>
At 31 March 1996	<u>70,550</u>	<u>26,194</u>	<u>44,355</u>	<u>1</u>	<u>-</u>

8. INVESTMENTS

(a)	£
Listed	
Cost at 1 April 1996	371,981
Additions	-
Cost at 31 March 1997	<u>371,981</u>

The listed investment comprises 120,000 (1996 - 120,000) £1 ordinary shares in Leopold Joseph PLC and 10,000,000 (1996 - 10,000,000) 0.1 pence shares in Mountcashel PLC. The market values at 31 March 1997 were £582,000 and £19,200 respectively (1996 - £540,000 and £20,000 respectively). R A E Herbert JP, DL is a Director of Leopold Joseph Plc.

(b)

The current investment is a £90,000 loan due from a connected company, Concorde Homes Limited. The loan bears interest at 10% per annum and is repayable within one year.

9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	1997 £	1996 £
This heading including:		
Taxation and social security	<u>9,884</u>	<u>708</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 1997

10. DEFERRED TAXATION

	£
Provision brought forward	13,787
Credit to profit and loss account (note 6)	(1,211)
	<hr/>
Provision carried forward	12,576
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The potential amount of deferred taxation provided at 33% (1996 - 33%) in the financial statements and the potential amount not provided are:

	1997 £	Provided 1996 £	1997 £	Unprovided 1996 £
Capital allowances in excess of depreciation	13,231	14,484	-	-
Gain deferred by roll over relief	-	-	1,200	1,200
Short term timing differences	(655)	(697)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	12,576	13,787	1,200	1,200
	<hr/>	<hr/>	<hr/>	<hr/>

11. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £	Capital reserve £
At 1 April 1996	265,495	396,212
Profit for the year	61,769	-
Transfer	(30,397)	30,397
	<hr/>	<hr/>
At 31 March 1997	296,867	426,609
	<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 1997 £	1996 £
Ordinary shares of £1 each	20,000	20,000	20,000
	<hr/>	<hr/>	<hr/>



NOTES TO THE ACCOUNTS

Year ended 31 March 1997

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 £24,236 (1996 - £20,897).

14. CONTROLLING PARTY

The controlling party of the company is R A E Herbert, J P, D L.