

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu
International



Company Registration No. 734316

REGISTRAR OF COMPANIES

LLANOVER PROPERTIES LIMITED

Report and Financial Statements

31 March 1996

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



**REPORT AND FINANCIAL STATEMENTS 1996**

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REPORT AND FINANCIAL STATEMENTS 1996

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 1996.

1. ACTIVITIES

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

2. 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.

3. DIVIDENDS

The directors do not recommend the payment of a dividend for the year (1995 - £Nil).

4. TANGIBLE FIXED ASSETS

The movement in tangible fixed assets is shown in note 7 to the accounts.

In the opinion of the directors, the market value of the freehold properties is in excess of their net book value in these financial statements, but they are unable to quantify this excess.

5. 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

6. AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. 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 **23 OCT 1996**



Chartered Accountants

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

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International + 44 1222 481111
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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 1996 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 8 November 1996

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1996

	Note	1996 £	1995 £
TURNOVER: continuing operations	2	21,622	19,248
Cost of sales		<u>(15,057)</u>	<u>(14,679)</u>
Gross profit		6,565	4,569
Other operating income		5	1,488
Income from fixed asset investments		28,125	26,475
Administrative expenses		<u>(17,675)</u>	<u>(16,899)</u>
OPERATING PROFIT - continuing operations		17,020	15,633
Interest receivable	4	<u>13,667</u>	<u>11,773</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	30,687	27,406
Tax on profit on ordinary activities	6	<u>(1,081)</u>	<u>(5,202)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	11	<u>29,606</u>	<u>22,204</u>

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 1996

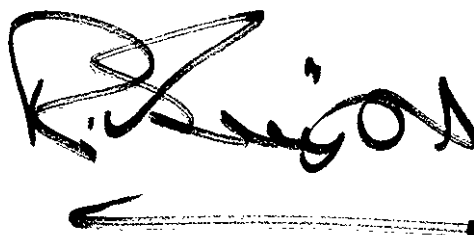
	Note	£	1996 £	£	1995 £
FIXED ASSETS					
Tangible fixed assets	7	70,550		71,156	
Investments	8(a)	371,981		351,981	
			442,531		423,137
CURRENT ASSETS					
Stocks	1(c)	53,864		53,864	
Other debtors and prepayments		1,448		2,187	
Investments	8(b)	90,000		60,000	
Cash at bank		112,228		131,622	
		257,540		247,673	
CREDITORS: amounts falling due within one year					
Other creditors including taxation and social security	9	4,577		4,406	
NET CURRENT ASSETS			252,963		243,267
TOTAL ASSETS LESS CURRENT LIABILITIES			695,494		666,404
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	10		(13,787)		(14,303)
			681,707		652,101
CAPITAL AND RESERVES					
Called up share capital	12		20,000		20,000
Capital reserve	11		396,212		396,212
Profit and loss account	11		265,495		235,889
TOTAL EQUITY SHAREHOLDERS' FUNDS			681,707		652,101

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

28 OCT 1996

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 1996

1. ACCOUNTING POLICIES

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

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) 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%

(c) Stocks

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

(d) 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.

(e) Connected parties

A connected party is an enterprise in which a director of Llanover Properties Limited holds a significant interest and with which Llanover Properties Limited trades.

(f) 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

	1996	1995
	£	£
Rents receivable	<u>21,622</u>	<u>19,248</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company's only employees are its two directors who received remuneration totalling £300 during the year (1995 - £300).



NOTES TO THE ACCOUNTS
Year ended 31 March 1996

4. INTEREST RECEIVABLE

	1996 £	1995 £
Bank interest	7,651	5,636
Connected company loan (note 8(b))	6,016	6,137
	<u>13,667</u>	<u>11,773</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1996 £	1995 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration	500	500
Depreciation - owned assets	2,571	2,532
	<u>28,125</u>	<u>26,475</u>
and after crediting:		
Income from listed investments		

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
United Kingdom corporation tax at 25%		
(1995 - 25%)	1,084	707
Deferred taxation	(516)	(800)
Tax credits on franked investment income	5,625	5,295
Adjustment in respect of prior years	(5,112)	-
	<u>1,081</u>	<u>5,202</u>

The tax charge for the year is low due to tax refunds received in respect of prior years.


NOTES TO THE ACCOUNTS
Year ended 31 March 1996
7. TANGIBLE FIXED ASSETS

	Total £	Cordes Trading Estate £	Abercarn Industrial Estate £	Belmont Road Abergavenny £	Motor vehicles £
Cost:					
At 1 April 1995	98,247	35,547	59,799	1	2,900
Additions	1,965	1,965	-	-	-
At 31 March 1996	100,212	37,512	59,799	1	2,900
Accumulated depreciation:					
At 1 April 1995	27,091	10,568	14,348	-	2,175
Provisions	2,571	750	1,096	-	725
At 31 March 1996	29,662	11,318	15,444	-	2,900
Net book value:					
At 31 March 1996	70,550	26,194	44,355	1	-
At 31 March 1995	71,156	24,979	45,451	1	725

8. INVESTMENTS

(a)

Listed	£
Cost at 1 April 1995	351,981
Additions	20,000
Cost at 31 March 1996	371,981

The listed investment comprises 120,000 (1995 - 120,000) £1 ordinary shares in Leopold Joseph PLC and 10,000,000 (1995 - £Nil) 0.1 pence shares in Mountcashel PLC. The market values at 31 March 1996 were £540,000 (1995 - £459,600) and £20,000 respectively.

(b)

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

9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	1996 £	1995 £
This heading including:		
Taxation and social security	708	707

NOTES TO THE ACCOUNTS
Year ended 31 March 1996

10. DEFERRED TAXATION

	£
Provision brought forward	14,303
Credit to profit and loss account (note 6)	(516)
	<u>13,787</u>
Provision carried forward	<u>13,787</u>

The potential amount of deferred taxation provided at 33% (1995 - 33%) in the financial statements and the potential amount not provided are:

	1996 £	Provided 1995 £	1996 £	Unprovided 1995 £
Capital allowances in excess of depreciation	14,484	15,000	-	-
Gain deferred by roll over relief	-	-	1,200	1,200
Short term timing differences	(697)	(697)	-	-
	<u>13,787</u>	<u>14,303</u>	<u>1,200</u>	<u>1,200</u>

11. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £	Capital reserve £
At 1 April 1995	235,889	396,212
Profit for the year	29,606	-
	<u>265,495</u>	<u>396,212</u>
At 31 March 1996	<u>265,495</u>	<u>396,212</u>

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

12. CALLED UP SHARE CAPITAL

	Authorised £	1996 £	Allotted and fully paid 1995 £
Ordinary shares of £1 each	20,000	20,000	20,000

NOTES TO THE ACCOUNTS
Year ended 31 March 1996

13. TRANSACTIONS WITH CONNECTED PARTIES

Name of connected 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 connected parties of £20,897 (1995 - £36,860).