

**APEL Holdings Limited**

**Accounts  
for the year ended  
30th September 2004**

**Wenn Townsend**  
Chartered Accountants  
**Oxford**



# **APEL Holdings Limited**

## **Company Information**

<b>Directors</b>	G A Paine FCA V Allen M A Macario FCA J E C Allen T F D Allen S V Hearnden
<b>Secretary</b>	T F D Allen
<b>Company Number</b>	1066977
<b>Registered Office</b>	The Broadway Didcot Oxfordshire
<b>Auditors</b>	Wenn Townsend 30 St. Giles' Oxford
<b>Business Address</b>	The Broadway Didcot Oxfordshire
<b>Bankers</b>	National Westminster Bank Plc Didcot Oxfordshire
<b>Solicitors</b>	Moore & Blatch 11 The Avenue Southampton

# APEL Holdings Limited

## Directors' Report for the year ended 30th September 2004

The directors present their report and the financial statements for the year ended 30th September 2004.

### Principal Activity and Review of the Business

The principal activities of the company are those of property investment and parent company. The principal activity of the company's subsidiaries is the supply of power garden equipment.

### Results and Dividends

The results for the year are set out on page 5.

The directors have paid interim dividends amounting to £137,220 and they do not recommend payment of a final dividend.

### Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2004	2003
V Allen	50,342	50,342
M A Macario FCA	30,000	30,000
G A Paine	30,000	30,000
J E C Allen	16,357	16,357
T F D Allen	16,358	16,358
S V Hearnden	32,715	32,715

Mr M A Macario and Mr G A Paine hold 30,000 shares as trustees of a Discretionary Settlement set up by Mrs V Allen.

### Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Wenn Townsend be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 7th June 2005 and signed on its behalf by

T F D Allen  
Company Secretary



## **APEL Holdings Limited**

### **Independent Auditors' Report to the Shareholders of APEL Holdings Limited**

We have audited the financial statements of APEL Holdings Limited for the year ended 30th September 2004 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. We read the Directors' Report and consider the implications for our report if we become aware of any misstatement within it.

#### **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 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 as at 30th September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Wenn Townsend*

**Wenn Townsend**

Chartered Accountants and Registered Auditors  
Oxford

7th June 2005

# APEL Holdings Limited

## Profit and Loss Account for the year ended 30th September 2004

2003

	Notes		
<b>Turnover</b>	<b>2</b>	215,850	199,134
Administrative expenses		(70,092)	(87,533)
Other operating income		10,210	9,992
<b>Operating profit</b>	<b>3</b>	<u>155,968</u>	<u>121,593</u>
Interest receivable and similar income	<b>5</b>	1,092	679
<b>Profit on ordinary activities before taxation</b>		<u>157,060</u>	<u>122,272</u>
Tax on profit on ordinary activities	<b>6</b>	(28,570)	(21,884)
<b>Profit on ordinary activities after taxation</b>		<u>128,490</u>	<u>100,388</u>
Dividends	<b>7</b>	(137,220)	(177,960)
<b>Retained profit/(loss) for the year</b>		<u>(8,730)</u>	<u>(77,572)</u>
Retained profit brought forward		1,754,690	1,832,262
<b>Retained profit carried forward</b>		<u>£ 1,745,960</u>	<u>£ 1,754,690</u>

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

## Statement of total recognised gains and losses

Profit on ordinary activities after taxation	128,490	100,388
Unrealised movement on revaluation of property	-	200,000
<b>Total recognised gains relating to the year</b>	<u>£ 128,490</u>	<u>£ 300,388</u>

The notes on pages 6 to 11 form an integral part of these financial statements.

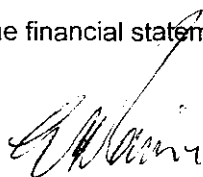
**APEL Holdings Limited**

**Balance Sheet  
30th September 2004**

**2003**

	Notes		
<b>Fixed Assets</b>			
Intangible assets	8	63,875	73,000
Tangible assets	9	2,483,880	2,490,960
Investments	10	750,000	750,000
		<u>3,297,755</u>	<u>3,313,960</u>
<b>Current Assets</b>			
Debtors	11	50,709	3,064
Cash at bank and in hand		1,504	-
		<u>52,213</u>	<u>3,064</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(79,256)</u>	<u>(37,582)</u>
<b>Net Current Assets/(Liabilities)</b>		(27,043)	(34,518)
<b>Net Assets</b>		<u>£ 3,270,712</u>	<u>£ 3,279,442</u>
<b>Capital and Reserves</b>			
Called up share capital	13	52,800	52,800
Share premium account	14	23,100	23,100
Revaluation reserve	14	1,441,052	1,441,052
Other reserves	14	7,800	7,800
Profit and loss account	14	1,745,960	1,754,690
<b>Equity Shareholders' Funds</b>	15	<u>£ 3,270,712</u>	<u>£ 3,279,442</u>

The financial statements were approved by the Board on 7th June 2005 and signed on its behalf by



**G A Paine**  
Director

The notes on pages 6 to 11 form an integral part of these financial statements.

APEL Holdings Limited

**Cash Flow Statement  
for the year ended 30th September 2004**

	Notes	2003
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit	155,967	121,593
Depreciation	16,205	16,205
(Increase) in debtors	(47,645)	3,629
Increase in creditors	45,853	(14,144)
<b>Net cash inflow from operating activities</b>	<b>£ 170,380</b>	<b>£ 127,283</b>

**CASH FLOW STATEMENT**

Net cash inflow from operating activities		170,380	127,283
Returns on investments and servicing of finance	17	1,092	679
Taxation		(21,884)	(21,167)
Acquisitions and disposals		-	100
		<u>149,588</u>	<u>106,895</u>
Equity dividends paid		(137,220)	(177,960)
<b>Increase in cash in the year</b>		<b>£ 12,368</b>	<b>£ (71,065)</b>

**Reconciliation of net cash flow to movement in net funds (Note 18)**

<b>Increase in cash in the year</b>	12,368	(71,065)
<b>Net debt at 1st October 2003</b>	(10,864)	60,201
<b>Net funds at 30th September 2004</b>	<b>£ 1,504</b>	<b>£ (10,864)</b>

# APEL Holdings Limited

## Notes to the Financial Statements for the year ended 30th September 2004

### 1. Accounting Policies

#### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

#### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

#### 1.3. Patents

Patents are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 10 years.

#### 1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight Line over fifty years
Plant and machinery	-	10% Straight Line
Vehicles	-	25% Straight Line

Investment properties are stated at market value and no depreciation is provided in accordance with SSAP19. This constitutes a departure from the Companies Act requirement to depreciate tangible fixed assets over their useful economic lives.

#### 1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.6. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

#### 1.7. Group accounts

These financial statements refer only to APEL Holdings Limited as the company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### 3. Operating profit

Operating profit is stated after charging:

Depreciation and other amounts written off tangible assets	£ 16,205	£ 16,205
Auditors' remuneration	£ 2,980	£ 3,000
	<u>          </u>	<u>          </u>

2003



# APEL Holdings Limited

## Notes to the Financial Statements for the year ended 30th September 2004

..... continued

### 4. Directors' emoluments

Amounts earned in respect of services as directors and in connection with the management of the affairs of the companies in the APEL Holdings group:

	2004		2003	
	As:	Re:	As:	Re:
	Directors	Management	Directors	Management
Salaries	18,000	70,000	18,000	70,000
Fees and other emoluments	74,283	-	59,872	-
Pension contributions:				
Defined benefit scheme (four directors included)	-	-	-	-
	<u>£ 92,283</u>	<u>£ 70,000</u>	<u>£ 77,872</u>	<u>£ 70,000</u>

Included in fees and other emoluments are fees of £25,000 (2003: £25,000) payable to third parties for directors' services.

Directors' emoluments excluding pension scheme contributions were as follows:

	2003	
Highest paid director	£ 57,938	£ 54,187
	<u>£ 57,938</u>	<u>£ 54,187</u>

### 5. Interest receivable and similar income

	2003	
Bank interest	£ 1,092	£ 679
	<u>£ 1,092</u>	<u>£ 679</u>

### 6. Taxation

	2003	
<b>UK current year taxation</b>		
UK Corporation Tax	£ 28,570	£ 21,884
	<u>£ 28,570</u>	<u>£ 21,884</u>

#### Factors affecting tax charge for the period

Profit on ordinary activities before tax	£ 157,060	£ 122,272
	<u>£ 157,060</u>	<u>£ 122,272</u>
Tax at standard rate of 19%	29,841	23,232
Effects of:		
Capital allowances less depreciation	(1,271)	(1,348)
	<u>(1,271)</u>	<u>(1,348)</u>
As charged	£ 28,570	£ 21,884
	<u>£ 28,570</u>	<u>£ 21,884</u>

# APEL Holdings Limited

## Notes to the Financial Statements for the year ended 30th September 2004

..... continued

### 7. Dividends

2003

#### Dividends on equity shares:

Ordinary shares - Interim paid	£ 137,220	£ 177,960
	<u>          </u>	<u>          </u>

Ordinary dividends of £1 per share were paid.

### 8. Intangible fixed assets

Patents Total

At 1st October 2003		
At 30th September 2004	£ 91,250	£ 91,250
	<u>          </u>	<u>          </u>
<b>Provision for diminution in value</b>		
At 1st October 2003	18,250	18,250
Charge for year	9,125	9,125
At 30th September 2004	£ 27,375	£ 27,375
	<u>          </u>	<u>          </u>
<b>Net book values</b>		
At 30th September 2004	£ 63,875	£ 63,875
	<u>          </u>	<u>          </u>
At 30th September 2003	£ 73,000	£ 73,000
	<u>          </u>	<u>          </u>

### 9. Tangible fixed assets

	Land and buildings freehold	Investment property	Plant and machinery	Vehicles	Total
<b>Cost/revaluation</b>					
At 1st October 2003 and at 30th September 2004	£ 382,384	2,200,000	8,750	14,468	2,605,602
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>					
At 1st October 2003	102,041	-	1,750	10,851	114,642
Charge for the year	2,588	-	875	3,617	7,080
At 30th September 2004	£ 104,629	-	2,625	14,468	121,722
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book values</b>					
At 30th September 2004	£ 277,755	2,200,000	6,125	-	2,483,880
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30th September 2003	£ 280,343	2,200,000	7,000	3,617	2,490,960
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

First legal mortgage dated 1st October 2003 over freehold property known as Land to the North of Broadway, Didcot, Oxfordshire in respect of assurity given for Allen Power Equipment Limited, a subsidiary of the company.

# APEL Holdings Limited

## Notes to the Financial Statements for the year ended 30th September 2004

..... continued

### 10. Fixed Asset Investments

	Subsidiary Undertakings Shares	Total
<b>Cost</b>		
At 1st October 2003 and at 30th September 2004	£ 750,000	£ 750,000
<b>Net book values</b>		
At 30th September 2004	£ 750,000	£ 750,000
At 30th September 2003	£ 750,000	£ 750,000

### 10.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held Class
<b>Subsidiary undertaking</b>			
Allen Power Equipment Limited	England	The supply of powered garden equipment	Ordinary 100%
Bob Andrews Limited	England	Dormant	Ordinary 100%
IBEA Power Products Limited	England	Dormant	Ordinary 100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	(Loss) for the year £
Allen Power Equipment Ltd	1,333,103	(117,601)
Bob Andrews Limited	200	-
IBEA Power Products	100	-

### 11. Debtors

	2003
Trade debtors	47,646
Prepayments and accrued income	2,979
	3,063
	85
	£ 50,709
	£ 3,064

**APEL Holdings Limited**

**Notes to the Financial Statements  
for the year ended 30th September 2004**

..... continued

**12. Creditors: amounts falling due  
within one year**

**2003**

Bank overdraft	-	10,864
Amounts owed to group undertaking	30,588	8,343
Corporation tax	-	10,967
Other taxes and social security costs	1,751	2,294
Other creditors	7,394	5,114
Accruals and deferred income	39,523	-
	<u>£ 79,256</u>	<u>£ 37,582</u>

**13. Share capital**

**2003**

**Authorised equity**

400,000 Ordinary shares of 25 pence each	<u>£ 100,000</u>	<u>£ 100,000</u>
--	------------------	------------------

**Allotted, called up and fully paid equity**

211,200 Ordinary shares of 25 pence each	<u>£ 52,800</u>	<u>£ 52,800</u>
--	-----------------	-----------------

**14. Equity Reserves**

	Share premium Total	Revaluation reserve account	Profit and loss	Capital redemption account	Total reserves
<b>At 1st October 2003</b>	23,100	1,441,052	1,754,690	7,800	3,226,642
Retained profit/(loss) for the year	-	-	(8,730)	-	(8,730)
<b>At 30th September 2004</b>	<u>£ 23,100</u>	<u>1,441,052</u>	<u>1,745,960</u>	<u>7,800</u>	<u>3,217,912</u>

# APEL Holdings Limited

## Notes to the Financial Statements for the year ended 30th September 2004

..... continued

### 15. Reconciliation of movements in shareholders' funds

2003

Profit for the year	128,490	100,388
Dividends	(137,220)	(177,960)
	<u>(8,730)</u>	<u>(77,572)</u>
Other recognised gains or losses	-	200,000
	<u>(8,730)</u>	<u>122,428</u>
No addition to shareholders' funds	3,279,442	3,157,014
Opening shareholders' funds	<u>£ 3,270,712</u>	<u>£ 3,279,442</u>

### 16. Related party transactions

Rent of £30,000 was paid to the company by Allen Power Equipment Limited. Amounts totalling £35,066 relating to salaries costs were recharged by Allen Power Equipment Limited. A loan of £15,000 was paid to and then repaid by Allen Power Equipment Limited during the year. At the year end £30,588 was owed to Allen Power Equipment Limited.

### 17. Gross Cash Flows

2003

#### Returns on investments and servicing of finance

Interest received	£ 1,092	£ 679
-------------------	---------	-------

### 18. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
Cash at bank and in hand	-	1,504	1,504
Overdrafts	(10,864)	10,864	-
	<u>(10,864)</u>	<u>12,368</u>	<u>1,504</u>
Net funds	<u>£ (10,864)</u>	<u>£ 12,368</u>	<u>£ 1,504</u>

### 19. Contingent liabilities

The contingent liability in respect of deferred taxation relating to the surplus on revaluation, which is not provided for in these accounts is £406,542 (2003: £400,040).