

APEL Holdings Limited

Accounts

for the year ended

30th September 2003



Wenn Townsend

Chartered Accountants

Oxford

APEL Holdings Limited

Company Information

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

APEL Holdings Limited

Directors' Report for the year ended 30th September 2003

The directors present their report and the financial statements for the year ended 30th September 2003.

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 3.

The directors have paid interim dividends amounting to £177,960 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	
	2003	2002
V Allen	50,342	50,342
J E C Allen	16,357	16,357
T F D Allen	16,358	16,358
S V Hearnden	32,715	32,715
M A Macario FCA	30,000	30,000
G A Paine FCA	30,000	30,000

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 15th April 2004 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 2003 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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Wenn Townsend

Chartered Accountants and Registered Auditors

15th April 2004

APEL Holdings Limited

**Profit and Loss Account
for the year ended 30th September 2003**

2002

	Notes		
Turnover	2	199,134	162,886
Administrative expenses		(87,533)	(58,674)
Other operating income		9,992	10,680
Operating profit	3	<u>121,593</u>	<u>114,892</u>
Interest receivable and similar income	5	<u>679</u>	<u>2,301</u>
Profit on ordinary activities before taxation		122,272	117,193
Tax on profit on ordinary activities	6	<u>(21,884)</u>	<u>(19,773)</u>
Profit on ordinary activities after taxation		100,388	97,420
Dividends	7	(177,960)	(191,571)
(Loss) for the year		<u>(77,572)</u>	<u>(94,151)</u>
Retained profit brought forward		1,832,262	1,926,413
Retained profit carried forward		<u>£ 1,754,690</u>	<u>£ 1,832,262</u>

Statement of total recognised gains and losses

Profit on ordinary activities after taxation	100,388	97,420
Unrealised movement on revaluation of property	<u>200,000</u>	<u>925,653</u>
Total recognised gains relating to the year	<u>£ 300,388</u>	<u>£ 1,023,073</u>

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

The notes on pages 6 to 12 form an integral part of these financial statements.

APEL Holdings Limited

Balance Sheet
30th September 2003

	Notes		2002
Fixed Assets			
Intangible assets	8	73,000	82,125
Tangible assets	9	2,490,960	2,298,040
Investments	10	750,000	750,100
		<u>3,313,960</u>	<u>3,130,265</u>
Current Assets			
Debtors	11	3,064	6,693
Cash at bank and in hand		-	60,201
		<u>3,064</u>	<u>66,894</u>
Creditors: amounts falling due within one year	12	<u>(37,582)</u>	<u>(40,145)</u>
Net Current (Liabilities)/Assets		(34,518)	26,749
Net Assets		<u>£ 3,279,442</u>	<u>£ 3,157,014</u>
Capital and Reserves			
Called up share capital	13	52,800	52,800
Share premium account	14	23,100	23,100
Revaluation reserve	14	1,441,052	1,241,052
Other reserves	14	7,800	7,800
Profit and loss account	14	1,754,690	1,832,262
Equity Shareholders' Funds	15	<u>£ 3,279,442</u>	<u>£ 3,157,014</u>

The financial statements were approved by the Board on 15th April 2004 and signed on its behalf by


G A Paine
Director

The notes on pages 6 to 12 form an integral part of these financial statements.

APEL Holdings Limited

Cash Flow Statement
for the year ended 30th September 2003

2002

Notes

Reconciliation of operating profit to net
cash inflow from operating activities

Operating profit	121,593	114,892
Depreciation	16,205	16,205
Decrease in debtors	3,629	14,316
(Decrease) in creditors	(14,144)	12,648
Net cash inflow from operating activities	£ 127,283	£ 158,061

CASH FLOW STATEMENT

Net cash inflow from operating activities		127,283	158,061
Returns on investments and servicing of finance	18	679	2,301
Taxation		(21,167)	(42,631)
Acquisitions and disposals	10	100	-
		<u>106,895</u>	<u>117,731</u>
Equity dividends paid		(177,960)	(191,571)
Decrease in cash in the year		£ (71,065)	£ (73,840)

Reconciliation of net cash flow to movement in net debt (Note 19)

Decrease in cash in the year	(71,065)	(73,840)
Net funds at 1st October 2002	60,201	134,041
Net funds at 30th September 2003	£ (10,864)	£ 60,201

**Notes to the Financial Statements
for the year ended 30th September 2003**

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

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences between the incidence of income and expenditure for taxation and accounting purposes.

1.7. Group accounts

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.

APEL Holdings Limited

Notes to the Financial Statements for the year ended 30th September 2003

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3. Operating profit

2002

Operating profit is stated after charging:

Depreciation and other amounts written off assets	£ 16,205	£ 16,205
Auditors' remuneration	£ 3,000	£ 3,200

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:

	2003		2002	
	As:	Re:	As:	Re:
	Directors	Management	Directors	Management
Salaries	18,000	70,000	3,283	54,976
Fees and other emoluments	59,872	-	70,047	-
Pension contributions:				
Defined benefit scheme (four directors included)	-	-	-	-
	<u>£ 77,872</u>	<u>£ 70,000</u>	<u>£ 73,330</u>	<u>£ 54,976</u>

Included in fees and other emoluments are fees of £25,000 (2002: £25,000) payable to third parties for directors' services.

Directors' emoluments excluding pension scheme contributions were as follows:

2002

Highest paid director	£ 54,187	£ 44,738
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5. Interest receivable and similar income

2002

Bank interest	679	820
Other interest	-	1,481
	<u>£ 679</u>	<u>£ 2,301</u>

APEL Holdings Limited

**Notes to the Financial Statements
for the year ended 30th September 2003**

..... continued

6. Taxation

	2002	
UK current year taxation		
UK Corporation Tax	21,884	21,167
Prior years		
UK Corporation Tax	-	(1,394)
	<u>£ 21,884</u>	<u>£ 19,773</u>

7. Dividends

	2002	
Dividends on equity shares:		
Ordinary shares	<u>£ 177,960</u>	<u>£ 191,571</u>

8. Intangible fixed assets

	Patents	Total
At 1st October 2002		
At 30th September 2003	<u>£ 91,250</u>	<u>£ 91,250</u>
Provision for diminution in value		
At 1st October 2002	9,125	9,125
Charge for year	9,125	9,125
At 30th September 2003	<u>£ 18,250</u>	<u>£ 18,250</u>
Net book values		
At 30th September 2003	<u>£ 73,000</u>	<u>£ 73,000</u>
At 30th September 2002	<u>£ 82,125</u>	<u>£ 82,125</u>

APEL Holdings Limited

Notes to the Financial Statements
for the year ended 30th September 2003

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9. Tangible fixed assets

	Land and buildings freehold	Investment property	Plant and machinery	Vehicles	Total
Cost or valuation					
At 1st October 2002	382,384	2,000,000	8,750	14,468	2,405,602
Revaluation	-	200,000	-	-	200,000
At 30th September 2003	£ 382,384	2,200,000	8,750	14,468	2,605,602
Depreciation					
At 1st October 2002	99,453	-	875	7,234	107,562
Charge for the year	2,588	-	875	3,617	7,080
At 30th September 2003	£ 102,041	-	1,750	10,851	114,642
Net book values					
At 30th September 2003	£ 280,343	2,200,000	7,000	3,617	2,490,960
At 30th September 2002	£ 282,931	-	7,875	7,234	2,298,040

10. Fixed Asset Investments

	Subsidiary Undertakings Shares	Total
Cost		
At 1st October 2002	750,100	750,100
Subsidiary dissolved	(100)	(100)
At 30th September 2003	£ 750,000	£ 750,000
Net book values		
At 30th September 2003	£ 750,000	£ 750,000
At 30th September 2002	£ 750,100	£ 750,100

Walkover Sprayers Limited was dissolved.

APEL Holdings Limited

Notes to the Financial Statements for the year ended 30th September 2003

..... continued

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	
Subsidiary undertaking				
Allen Power Equipment Limited	England	The supply of powered garden equipment	Ordinary	100%
Bob Andrews 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 Limited	1,450,704	(59,901)
Bob Andrews Limited	200	-

11. Debtors

	2002	
Prepayments and accrued income	£ 3,064	£ 6,693

12. Creditors: amounts falling due within one year

	2002	
Bank overdraft	10,864	-
Amounts owed to group undertaking	8,343	25,308
Corporation tax	10,967	-
Other taxes and social security costs	2,294	-
Other creditors	5,114	14,837
	£ 37,582	£ 40,145

APEL Holdings Limited

**Notes to the Financial Statements
for the year ended 30th September 2003**

..... continued

13. Share capital

2002

Authorised equity

400,000 Ordinary shares of 25 pence each

£ 100,000

£ 100,000

Allotted, called up and fully paid equity

211,200 Ordinary shares of 25 pence each

£ 52,800

£ 52,800

14. Equity Reserves

	Share premium Total	Revaluation reserve account	Profit and loss account	Capital redemption reserve	Total
At 1st October 2002	23,100	1,241,052	1,832,262	7,800	3,104,214
Revaluation of property	-	200,000	-	-	200,000
(Loss) for the year	-	-	(77,572)	-	(77,572)
At 30th September 2003	£ 23,100	£ 1,441,052	£ 1,754,690	£ 7,800	£3,226,642

15. Reconciliation of movements in shareholders' funds

2002

Profit for the year	100,388	97,420
Dividends	(177,960)	(191,571)
	(77,572)	(94,151)
Other recognised gains or losses	200,000	725,653
Net addition to/deduction from shareholders' funds	122,428	631,502
Opening shareholders' funds	3,157,014	2,525,512
	£ 3,279,442	£3,157,014

APEL Holdings Limited

**Notes to the Financial Statements
for the year ended 30th September 2003**

..... continued

16. 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 £400,040 (2002: £333,555).

17. Related party transactions

Rent of £30,000 was paid to the company by Allen Power Equipment Limited. Amounts totalling £34642 relating to salaries costs were recharged by Allen Power Equipment Limited. At the year end £8,343 was owed by the company to Allen Power Equipment Limited.

18. Gross Cash Flows

2002

Returns on investments and servicing of finance

Interest received	£ 679	£ 2,301
	<u> </u>	<u> </u>

19. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
Cash at bank and in hand	60,201	(60,201)	-
Overdrafts	-	(10,864)	(10,864)
Net funds	<u>£ 60,201</u>	<u>£ (71,065)</u>	<u>£ (10,864)</u>