

THE WEST OF ENGLAND TRUST LIMITED
CONTENTS AND INFORMATION

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INFORMATION

Board Of Directors

Richard Templeton (Chairman)
H. Gerard M. Leighton (Deputy Chairman)
Simon N. L. Chalton
Ian A. Harbottle
Michael Whitwell

Secretary

Ian A. Harbottle

Head Office and Registered Office

21 St Thomas Street, Bristol BS1 6JS

Registered Number

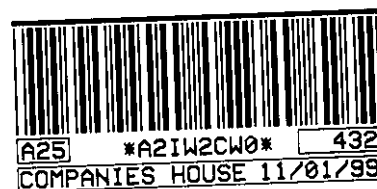
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Auditors

Ernst & Young, Bristol

Bankers

Barclays Bank PLC



THE WEST OF ENGLAND TRUST LIMITED
GROUP ACTIVITIES



JORDANS LIMITED

CORPORATE AND INFORMATION SERVICES

JORDANS

Jordans is the largest and longest established Company Registration and Information Business in the United Kingdom and is unique for the range of services it provides to the international professional and business community. Since 1863 it has supported customers with specialist services they need to build their businesses.



Jordans' Bristol Head Office

Professional Services Division Managing Director: Stephen Curtis
This division covers Jordans' domestic business in company incorporation, associated corporate work, company secretarial and administrative services and information and search services. The business is based in Bristol with a London office in Bedford Row, adjacent to Grays Inn and an office in Cardiff adjacent to Companies House. In Scotland it trades as Oswalds from offices in Edinburgh.

Though expertise has been built up over many years Jordans pride themselves for being able to relate the services they provide to the current and rapidly changing needs of their customers, be it either in means of electronic delivery, software solutions or in the actual services which are continuously updated and evolved to accord with modern law and practice and commercial need.

In this accounting period a revised model Memorandum and Articles of Association for a private limited company, settled by specialist company counsel, has been introduced and also a form of "Exit Article" on the lines recommended by the Law Commission in its report on *Shareholder Remedies* aimed at dealing with the problem of unlocking, in specified circumstances, shareholdings in private companies.

The new "Windows" version of PC Secretary, Jordans software for the management of company secretarial records and compliances, has been particularly well received and has been adopted by a number of prestigious organisations. Further software developments include Jordans "Incorporator" package which will give great flexibility to customers in ordering company incorporations to their specific requirements.

High quality company information, search and credit status reporting is another area in which Jordans specialise and respond to the needs of the market, for example a Internet domain registration service has now been incorporated into its name protection and trade mark service. It is anticipated that many services in the future will be ordered electronically via the Internet and the company's website is being developed in house to cater for this.



Company Secretarial Software

International Division - Director in charge: Martin Palmer

The International division provides company incorporations secretarial and administrative services and company searches outside the United Kingdom and reaches out to operations in the Isle of Man, Jersey, Gibraltar, Ireland, the British Virgin Islands and the Netherlands.

It acts for British businesses requiring overseas or offshore incorporations and services and for overseas professional firms requiring for their clients incorporations and services in the United Kingdom or in a wide range of offshore locations.

The International Division staffed with persons fluent in the major European languages has continued its rapid expansion, building on its reputation for registration and administration of companies and other structures amongst professionals in international practice throughout the world. The interest in entities for the commercial needs of different territories and in tax planning is growing and the division continues to develop services in every major jurisdiction.

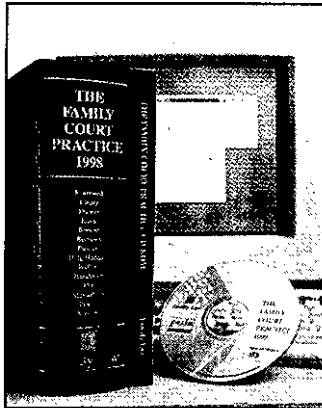
Michael Whitwell
Chief Executive
16th September 1998

THE WEST OF ENGLAND TRUST LIMITED
GROUP ACTIVITIES



JORDAN PUBLISHING LIMITED
LAW PUBLISHERS

Jordan Publishing Limited has grown into the UK's leading independent law publisher covering all areas of legal practice. Our



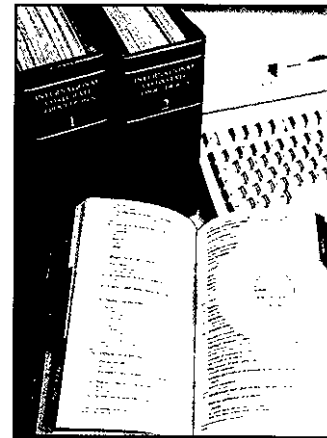
practical books, loose-leaf services, periodicals and electronic products are used by both the legal profession, including students and trainees, and the increasing number of other professionals who need to know about specific areas of law as part of their everyday work. A prime example of this is the range of titles published under our specialist Family Law imprint. This list is now widely regarded as the leading source of UK family and child law information and our customers include social workers, child psychologists, the police and the growing mediation profession as well as qualified lawyers.

Although the focus is on UK law an increasing number of publications are sold overseas, reflecting the increasing globalisation of legal practice particularly in the commercial sector.

Our publishing activities are complemented by a rapidly-expanding training business which produces conferences and other training events aimed at similar professional markets, responding to the need for practitioners to update themselves rapidly on changes

to law and to fulfil the continuing education requirements imposed by their professional bodies.

Highly qualified editorial, marketing and product development staff, several of whom have themselves been in legal practice, ensure that the information needs of our constantly developing markets are fully understood resulting in products which are user-friendly, cost-effective and above all practical.



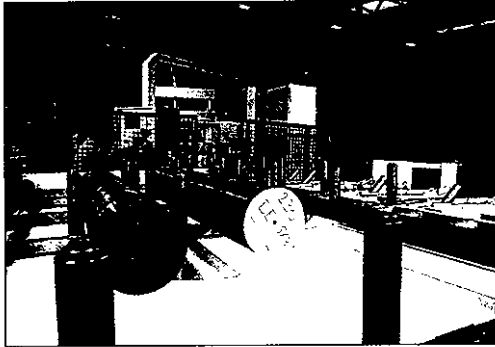
Richard Hudson
Managing Director
16th September 1998

THE WEST OF ENGLAND TRUST LIMITED
GROUP ACTIVITIES



WOODBERRY CHILLCOTT & COMPANY LIMITED

STEEL STOCKHOLDERS
ENGINEERING DISTRIBUTORS



Woodberry Chillcott distributes Engineering Steels, Tools and Fasteners throughout the South West region of the country with branches in Basingstoke, Cwmbran, Gloucester, Plymouth and Portsmouth.

Woodberry Chillcott's customers range from large industrial groups to the small precision engineer. No matter who the customer is, the aim is to provide a first class service. Emphasis is placed on quality products and high stock levels of all items are maintained in order to meet demand. This is complemented by an

ability to procure specialist items for our customers with more obscure requirements.

Woodberry Chillcott operates an extensive sawing facility using fully automatic machines, these enable material to be cut to customers' order in minimal time.

The Company is currently carrying out a programme of renewal throughout the business. In August 1997 work commenced on the redevelopment of the Feeder Road site and the new office building was due for completion at the end of September this year. Further works are planned to rebuild the warehouses which will allow steel and the cutting facilities to be in the same unit. In addition to the work at Feeder Road the branch premises have been reviewed and in the case of Plymouth and Gloucester leases on new and more suitable premises have been acquired. The overall plan is to create an efficient flow of work throughout Feeder Road and the Branches, which will enable the business to be highly competitive.

Nick Cox
Managing Director
16th September 1998



THE WEST OF ENGLAND TRUST LIMITED
CHAIRMAN'S STATEMENT 1998

In the year ended 31 March 1998 the group achieved a profit before taxation of £3,188,000 which reflected a recovery from £2,850,000, achieved in 1996/97, to the trend indicated by the 1995/96 results of £3,099,000.

In its first year as a separate trading subsidiary of the group, Jordan Publishing Limited continued to make good progress in both turnover, profit and expansion of its list. This was in spite of the substantial increase in editorial staff necessary to support the increased level of publishing activity which was mentioned in the interim statement. Opportunity has been taken to acquire additional titles to complement the list including Duckworth's Matrimonial Property and Finance from Sweet & Maxwell, which will consolidate Jordan Publishing's position under its imprint Family Law as a leading specialist in this sector. Jordans continues to develop means of delivery of published material outside the traditional printed page and take advantage of modern technology.

Jordans Limited, which encompasses the international and domestic professional services divisions, also enjoyed a good year with a substantial growth in profits.

During the first half of the year the domestic division experienced a significant, but exceptional, increase in the volume of instructions for company formation, with a corresponding impact on the division's profits, which are to a large part volume related. Management was strengthened in the year by the appointment of a marketing director with responsibility for co-ordinating and developing the services provided by the division in a market place where both product need and customer base are rapidly changing.

The International division produced a significant increase in turnover and profits. This in part reflects the benefits resulting from the investment in its infrastructure in 1996, in terms of additional professional staff, and from the opening of a new office in Jersey. Again, attention to the needs of the market place which is constantly developing and altering is all important.

Woodberry Chillcott despatched another record volume of steel in the year but, in spite of this achievement, turnover in monetary terms is below that in 1996/97 due to the continuing decline in the price of steel with the obvious and serious impact on profits. Efforts have continued to develop other aspects of the business, in particular tools and fastenings, and a vigilant eye has been kept on costs. As a service provider and supplier to the manufacturing industry Woodberrys cannot expect to be immune from the problems facing its customers.

As stated in the interim report the new computer system is now in use and proving a great assistance in the operation of the business. The development of the Feeder Road, Bristol premises is making significant progress and due to be completed in 1999. When complete it will enhance the competitiveness of the business and put it in a position to handle the changes in its market place where increasingly customers require a service not just the simple supply of products. The dividend has been increased by 5% to 42p per share in line with the Board's decision to maintain cover at approximately three times after tax profits, which last year due to a fall in profits was not the case.

THE WEST OF ENGLAND TRUST LIMITED
CHAIRMAN'S STATEMENT 1998 - continued

The Board has also decided to recommend a special dividend of 150% or £1.50 per share be paid to all shareholders. By way of explanation, it has been the Board's strategy to maintain a strong balance sheet and cash flows have been used to redeem all borrowings and to invest in the businesses as appropriate. Over the last few years there has been substantial investment in Woodberry Chillcott in terms of the new computer and business control software system as well as in the redevelopment of the Feeder Road premises, also at Jordans particularly in the acquisition of strategic titles from other publishers. This expenditure has been encompassed within the cash flow of the Group and the directors are satisfied that the liquid resources after the proposed special dividend are adequate to meet foreseeable circumstances.

The proposed dividend which will absorb £2,691,000 will require the approval of members of the company by Ordinary Resolution. The resolution is numbered 2 in the notice of the Annual General Meeting. If the resolution is passed payment will be made on the 8th January 1999 to those registered as shareholders on the date of the Annual General Meeting.

In 1996 the Company established an Employee Share Ownership Plan to facilitate an incentive scheme for senior staff based on awards of shares in the company. In continuation of the policy of encouraging and facilitating ownership of shares in the Company by those working in its businesses, it is establishing a profit sharing scheme, available to all long-serving staff and awarding shares under tax concessions. Inland Revenue approval is being sought and it is intended to operate the scheme in the current financial year.

The outlook for the current year is not as favourable as at this time last year with the economic situation causing grounds for concern. Any slowdown in the economy will have some impact on the Group. Jordan Publishing should have another good year, but it is unlikely that the professional services division will perform as well as last year due to the exceptional business activity experienced in 1998 which was described above. Woodberry, which operates in the manufacturing sector of the economy, is facing a difficult trading environment and will have a tough year.

Finally, and most importantly, I should like to thank our employees for their efforts in the year under review.



Richard Templeton
16th September 1998

THE WEST OF ENGLAND TRUST LIMITED
REPORT OF THE DIRECTORS

The Directors present their Report and Accounts for the year ended 31st March 1998.

Group Activities and Business Review

Details of Group activities are set out on pages 2 to 4 and a review of the year is covered in the Chairman's Statement on pages 5 and 6.

Results and Dividends

The results of the Group for the year and the Directors' recommendations for the appropriation of the profit are set out in the Consolidated Profit and Loss Account on page 8.

Year 2000 Compliance

The Directors were mindful of the need to modify the Group's computer systems to accommodate the year 2000 and beyond in order to avoid malfunctions and commercial disruption. They also recognise that the Group's business depends not only on its own computer systems but also to some degree on those of its suppliers and customers.

Programmes designed to address the impact of the year 2000 have been commissioned by the Board and are under way. They are adequately resourced and costs have been and will be charged to the Profit and Loss Account as incurred. The Board received regular reports on progress.

Directors

The Directors listed on page 1 have served throughout the year. The interests of the Directors in the shares of the Company are shown in note 19.

Close Company Status

The Company is considered to be a close company under the provisions of the Income and Corporation Taxes Act 1988.

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors, and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Employee Involvement

The Company aims to involve all employees in the performance and development of the Group. A significant number of employees are shareholders in the company.

Disabled Employees

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled. Where existing employees become disabled, it is the Group's policy to provide, wherever possible, continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

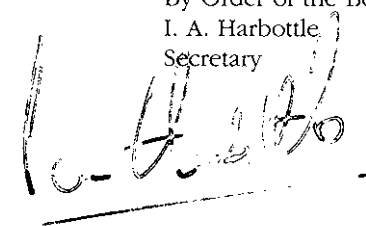
Other Information

There were no political or charitable donations during the year.

21 St Thomas Street
Bristol BS1 6JS
BS1 6JS

16th September 1998

By Order of the Board
I. A. Harbottle
Secretary



THE WEST OF ENGLAND TRUST LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 1998

| | Notes | 1998 £'000 | 1997 £'000 |
|--|-------|-----------------|-----------------|
| Turnover | 2 | 28,093 | 26,693 |
| Cost of sales | | <u>(17,628)</u> | <u>(17,103)</u> |
| Gross profit | | 10,465 | 9,590 |
| Distribution costs | | (1,271) | (1,695) |
| Administrative expenses | | <u>(6,393)</u> | <u>(5,343)</u> |
| Operating profit | 3 | 2,801 | 2,552 |
| Interest receivable | | 416 | 332 |
| Interest payable | 6 | <u>(29)</u> | <u>(34)</u> |
| Profit on ordinary activities before taxation | | 3,188 | 2,850 |
| Taxation | 7 | <u>(1,054)</u> | <u>(1,075)</u> |
| Profit on ordinary activities after taxation | | 2,134 | 1,775 |
| Dividends (including non-equity) | 8 | <u>(740)</u> | <u>(705)</u> |
| Retained Profit for the year | 15 | 1,394 | 1,070 |
| Release from revaluation reserve | | <u>32</u> | <u>32</u> |
| Transfer to revenue reserve | | <u>1,426</u> | <u>1,102</u> |

All results arise from continuing activities.

No statement of total recognised gains and losses is presented as the group has no gains and losses other than the retained profit for the year.

THE WEST OF ENGLAND TRUST LIMITED
CONSOLIDATED BALANCE SHEET

As at 31st March 1998

| | Notes | 1998 £'000 | 1997 £'000 |
|---|-------|---------------|---------------|
| Fixed Assets | | | |
| Tangible Assets | 9 | 4,995 | 4,878 |
| Investments - Own shares | 10b | 176 | - |
| | | <u>5,171</u> | <u>4,878</u> |
| Current Assets | | | |
| Stock and work in progress | 11 | 2,209 | 1,970 |
| Debtors | 12 | 6,754 | 6,498 |
| Cash at bank and in hand | | 7,272 | 5,530 |
| | | <u>16,235</u> | <u>13,998</u> |
| Creditors | | | |
| Amounts falling due within one year | 13 | (9,586) | (8,366) |
| Net Current Assets | | <u>6,649</u> | <u>5,632</u> |
| Total Assets less Current Liabilities | | 11,820 | 10,510 |
| Creditors | | | |
| Amounts falling due after more than one year | 13 | (120) | (190) |
| Provisions for liabilities and charges | | | |
| Deferred taxation | 16 | (84) | (98) |
| | | <u>11,616</u> | <u>10,222</u> |
| Capital and Reserves (including non-equity interests) | | | |
| Called up Share Capital | 14 | 1,794 | 1,794 |
| Share Premium | | 19 | 19 |
| Revaluation Reserve | 15 | 1,993 | 2,025 |
| Profit and Loss Account | 15 | 7,810 | 6,384 |
| Total Shareholders' Funds | 15 | <u>11,616</u> | <u>10,222</u> |

Approved by the Board on 16th September 1998

Richard Templeton
H. Gerard M. Leighton
Directors

Handwritten signature and initials:
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The notes on pages 12 to 22 form part of these accounts

THE WEST OF ENGLAND TRUST LIMITED
COMPANY BALANCE SHEET

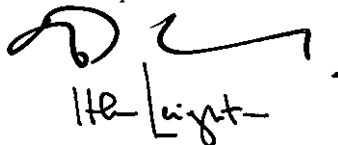
As at 31st March 1998

| | Notes | 1998 £'000 | 1997 £'000 |
|---|-------|---------------|---------------|
| Fixed Assets | | | |
| Tangible Assets | 9 | 3,487 | 3,232 |
| Investments - Subsidiaries | 10a | 7,866 | 7,085 |
| - Own shares | 10b | 176 | - |
| | | <u>11,529</u> | <u>10,317</u> |
| Current Assets | | | |
| Debtors | 12 | 1,803 | 1,528 |
| Cash at Bank | | 6,592 | 5,466 |
| | | <u>8,395</u> | <u>6,994</u> |
| Creditors | | | |
| Amounts falling due within one year | 13 | (6,721) | (5,493) |
| Net Current Assets | | <u>1,674</u> | <u>1,501</u> |
| Total Assets less Current liabilities | | 13,203 | 11,818 |
| Creditors | | | |
| Provisions for liabilities and charges | | | |
| Deferred Taxation | 16 | (57) | (67) |
| | | <u>13,146</u> | <u>11,751</u> |
| Capital and Reserves (including non-equity interests) | | | |
| Called up Share Capital | 14 | 1,794 | 1,794 |
| Share Premium | | 19 | 19 |
| Revaluation Reserve | 15 | 4,658 | 3,959 |
| Profit and Loss Account | 15 | 6,675 | 5,979 |
| Total Shareholders' Funds | 15 | <u>13,146</u> | <u>11,751</u> |

Approved by the Board on 16th September 1998

Richard Templeton
H. Gerard M. Leighton

Directors



H. Gerard M. Leighton

The notes on pages 12 to 22 form part of these accounts

THE WEST OF ENGLAND TRUST LIMITED
CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 1998

| | Notes | 1998 £'000 | 1997 £'000 |
|--|-------|---------------|---------------|
| Cash flow from | | | |
| Operating Activities | 17(a) | 4,106 | 2,026 |
| Return on Investments and | | | |
| Servicing of Finance | 17(b) | (84) | (159) |
| Taxation | | (1,006) | (1,013) |
| Capital expenditure | 17(c) | (677) | (494) |
| Equity Dividends paid | | (234) | (222) |
| | | <u>2,105</u> | <u>138</u> |
| Financing: | | | |
| Purchase of own shares in year | | (168) | - |
| Capital element of | | | |
| finance leases paid | | (195) | (175) |
| | | <u>1,742</u> | <u>(37)</u> |
| Increase/(Reduction) in cash in the period | | | |
| | | <u>1,742</u> | <u>(37)</u> |
| Reconciliation of Net Cash flow to Movement in Net Liquid Funds:- | | | |
| Increase/(Reduction) in cash | | 1,742 | (37) |
| Cash inflow from increase in lease finance | | 195 | 175 |
| New finance leases | 17(d) | (159) | (178) |
| Movement in Net Liquid Funds | | <u>1,778</u> | <u>(40)</u> |
| Net Liquid Funds at 1 April 1997 | 17(d) | 5,173 | 5,213 |
| Net Liquid Funds at 31 March 1998 | 17(d) | <u>6,951</u> | <u>5,173</u> |

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS

1. Accounting Policies

(a) Accounting Convention

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention, modified to include the revaluation of certain assets.

(b) Stocks

Stock and work in progress has been valued at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads where appropriate.

(c) Depreciation

Fixed assets are depreciated on a straight line basis over the following periods:

| | |
|---------------------|---------------------------|
| Motor Vehicles | 4 years |
| Plant and Equipment | 3 to 10 years |
| Short Leaseholds | Lease term |
| Freehold Buildings | 50 years from revaluation |

(d) Leased equipment

Rentals in respect of operating leases are charged to the profit and loss account as incurred. Assets leased under finance leases have been capitalised and depreciated over their anticipated useful lives.

(e) Deferred taxation

Deferred taxation is provided in respect of all timing differences except where the directors consider that no material corporation tax liability will occur in the future.

(f) Consolidation

The consolidated profit and loss account and balance sheet incorporate the accounts of the parent company and its subsidiary undertakings for the year ended 31st March 1998. All subsidiary undertakings are wholly owned companies and are referred to as companies in these accounts.

No profit and loss account is presented for The West of England Trust Limited as permitted by S.230 Companies Act 1985.

(g) Subsidiary undertakings

The investment in subsidiary companies is revalued to equate to the net asset value of those companies.

(h) Pension costs

Contributions to the Group's defined benefit pension schemes are made in accordance with actuarial advice and are charged to the profit and loss account so as to spread the pension cost over the anticipated period of service of scheme members.

The Group also contributes to a money purchase pension scheme held for the benefit of individual employees. Contributions are charged in the profit and loss account as they become payable.

(i) Goodwill

Goodwill, being the excess of the cost of investment in respect of businesses acquired over their net asset value, has been written off.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS

2. Turnover

Turnover comprises amounts receivable for goods and services, exclusive of value added tax. The value of goods and services exported during the year amounted to £3,211,990 (1997 £2,507,155), of these exports £2,492,981 (1997 £1,964,631) were to Europe and £719,009 (1997 £542,524) were to the rest of the world. Under CA85 Sch 4-55(5) further analysis is not given.

3. Operating profit

Operating profit is stated after charging/(crediting)

| | 1998 £'000 | 1997 £'000 |
|--|---------------|---------------|
| Depreciation on owned assets | 585 | 613 |
| Depreciation on assets held under finance leases | 151 | 197 |
| Auditors' remuneration | 46 | 41 |
| Hire of plant and equipment | 101 | 65 |
| Leasehold property rents | 414 | 418 |
| Profit on disposal of fixed assets | (17) | (38) |

4. Employees

| | 1998 No. | 1997 No. |
|--------------------------------------|---------------|---------------|
| Average weekly number of employees:- | | |
| Production | 180 | 157 |
| Sales and distribution | 129 | 128 |
| Administration | 78 | 72 |
| | <u>387</u> | <u>357</u> |
| Employee costs during the year:- | 1998 £'000 | 1997 £'000 |
| Wages and salaries | 6,191 | 5,729 |
| Social Security costs | 570 | 490 |
| Pension contributions | 310 | 311 |
| | <u>7,071</u> | <u>6,530</u> |
| | 1998 £'000 | 1997 £'000 |

5. Directors' emoluments

| | | |
|------------------|------------|------------|
| Fees | 30 | 30 |
| Other emoluments | 169 | 163 |
| | <u>199</u> | <u>193</u> |

Highest paid Director

| | | |
|--------------------------------|----|----|
| Emoluments | 82 | 79 |
| Accrued pension at end of year | 34 | 32 |

Retirement benefits are accruing for three directors under a defined benefit pension scheme operated by the Company.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS

6. *Interest Payable*

| | 1998 £'000 | 1997 £'000 |
|---|---------------|---------------|
| Finance lease and hire purchase contracts | 29 | 34 |

7. *Taxation*

| | 1998 £'000 | 1997 £'000 |
|-------------------------------------|---------------|---------------|
| Corporation tax at 31% (1997 - 33%) | 983 | 953 |
| Overseas taxation | 93 | 39 |
| Deferred tax | (14) | 74 |
| Prior year adjustment | (8) | 9 |
| | <u>1,054</u> | <u>1,075</u> |

8. *Dividends*

| | 1998 £'000 | 1997 £'000 |
|--|---------------|---------------|
| Dividends paid and proposed on all classes as follows:- | | |
| 1st Interim | | |
| 10% 'A' Ord (non-equity) and Ord (2.10.97) 5p per share | 69 | 69 |
| Deferred (22.12.97) 5p per share | 21 | 21 |
| 2nd Interim | | |
| 10% 'A' Ord (non-equity) and Ord (1.4.98) 5p per share | 68 | 68 |
| Deferred (28.7.98) 37p per share | 157 | 148 |
| 3rd Interim | | |
| 10% 'A' Ord (non-equity) and Ord (27.7.98) 32p per share | 425 | 399 |
| | <u>740</u> | <u>705</u> |
| Aggregate dividends paid to: | | |
| Equity Shareholders | 245 | 234 |
| Non-Equity Shareholders | 495 | 471 |

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS - continued

9. Fixed Assets - Tangible

Group

| | Freehold Property £'000 | Leasehold Property £'000 | Plant & Machinery £'000 | Total £'000 |
|--|-------------------------------|--------------------------------|-------------------------------|----------------|
| Cost or valuation at beginning of year | 3,620 | 793 | 5,757 | 10,170 |
| Additions | 301 | 2 | 589 | 892 |
| Disposals | - | - | (156) | (156) |
| Cost or valuation at end of year | 3,921 | 795 | 6,190 | 10,906 |
| Depreciation at beginning of year | 388 | 729 | 4,175 | 5,292 |
| Charge for the year | 46 | 26 | 664 | 736 |
| Disposals | - | - | (117) | (117) |
| Depreciation at end of year | 434 | 755 | 4,722 | 5,911 |
| Net book value:- | | | | |
| at 31st March 1998 | 3,487 | 40 | 1,468 | 4,995 |
| at 1st April 1997 | 3,232 | 64 | 1,582 | 4,878 |

Company

| | Freehold Property £'000 | Leasehold Property £'000 | Plant & Machinery £'000 | Total £'000 |
|--|-------------------------------|--------------------------------|-------------------------------|----------------|
| Cost or valuation at beginning of year | 3,620 | - | 23 | 3,643 |
| Additions | 301 | - | - | 301 |
| Cost or valuation at end of year | 3,921 | - | 23 | 3,944 |
| Depreciation at beginning of year | 388 | - | 23 | 411 |
| Charge for the year | 46 | - | - | 46 |
| Depreciation at end of year | 434 | - | 23 | 457 |
| Net book value:- | | | | |
| at 31st March 1998 | 3,487 | - | - | 3,487 |
| at 1st April 1997 | 3,232 | - | - | 3,232 |

The net book value of Plant and Machinery above includes an amount of £355,175 (1997 £443,585) in respect of assets held under finance leases.

At 30th September 1990 the Freehold Property at 21 St Thomas Street, Bristol was revalued to £2,750,000. The historical cost of this item amounts to £532,792 and the accumulated depreciation at 31st March 1998 totals £72,000 (1997 £63,000)

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS - continued

10a. Investment in Subsidiary Undertakings

| | Company | |
|---|---------------|---------------|
| | 1998 £'000 | 1997 £'000 |
| Shares at cost | 5,505 | 5,505 |
| Addition at cost | 50 | - |
| Revaluation (note 1(g)) brought forward | 1,580 | 1,288 |
| Movement in year | 731 | 292 |
| Net asset value including goodwill | 7,866 | 7,085 |
| Amounts due from subsidiary companies | 1,607 | 1,356 |
| Amounts due to subsidiary companies | (5,617) | (4,562) |
| Net investment | 3,856 | 3,879 |

The principal subsidiary companies, which are wholly owned and registered in England (except as shown) are as follows:-

Jordans Limited
Jordans (Isle of Man) Limited - Isle of Man*
Jordans (Gibraltar) Limited - Gibraltar*
Jordans (C.I.) Limited - Jersey*
Jordans (Scotland) Limited - Scotland*
Woodberry Chillcott & Company Limited
Jordans Publishing Limited

* Held via a subsidiary company

The activities are as set out on pages 2 to 4.

10b. Investments - Own Shares

| | Group & Company | |
|-------------------------------------|--------------------|---------------|
| | 1998 £'000 | 1997 £'000 |
| Cost | | |
| As at 1st April 1997 | - | - |
| Additions | 234 | - |
| As at 31st March 1998 | 234 | - |
| Amortisation | | |
| As at 1st April 1997 | - | - |
| Charge for the year | 58 | - |
| As at 31st March 1998 | 58 | - |
| Net Book value:- at 31st March 1998 | 176 | - |

During the accounting period 1st April 1997 to 31st March 1998, the company placed £250,000 in an Employee Share Ownership Trust for the purpose of allowing the Trust to purchase shares in the company. This was to provide for future employee incentives.

The number of shares held by the Trust at the year end was 42,360 "A" ordinary shares of £1 each, their market value was £247,806. Dividends restricted to 3p are receivable on these shares.

The cost of writing off these shares is being amortised through the Profit and Loss Account over a period of four years, when it is expected that, subject to performance criteria being met, the shares will be gifted to certain employees.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS - continued

11. Stock and work in progress

| | 1998 £'000 | Group 1997 £'000 |
|-------------------------------------|---------------|------------------------|
| Raw materials and consumables | 47 | 69 |
| Finished goods and stock for resale | 2,087 | 1,773 |
| Work in progress | 75 | 128 |
| | <u>2,209</u> | <u>1,970</u> |

The replacement cost of stocks is not materially different from that stated above.

12. Debtors

| | 1998 £'000 | Group 1997 £'000 | 1998 £'000 | Company 1997 £'000 |
|---------------------------------------|---------------|------------------------|---------------|--------------------------|
| Due within one year:- | | | | |
| Trade debtors | 5,822 | 5,532 | 21 | 3 |
| Other debtors | 163 | - | - | - |
| Prepayments | 517 | 740 | - | - |
| Amount due from subsidiaries | - | - | 1,607 | 1,356 |
| ACT recoverable | 175 | 169 | 175 | 169 |
| Loans to employees for share purchase | 77 | 57 | - | - |
| | <u>6,754</u> | <u>6,498</u> | <u>1,803</u> | <u>1,528</u> |

13. Creditors

| | 1998 £'000 | Group 1997 £'000 | 1998 £'000 | Company 1997 £'000 |
|--------------------------------|---------------|------------------------|---------------|--------------------------|
| Due within one year:- | | | | |
| Trade creditors | 3,216 | 2,856 | 272 | 148 |
| Amount due to subsidiaries | - | - | 5,617 | 4,562 |
| Tax and social security | 301 | 524 | 42 | 32 |
| Corporation Tax | 1,115 | 1,039 | 140 | 138 |
| Accruals and deferred income | 3,802 | 2,694 | - | - |
| Dividends | 650 | 615 | 650 | 613 |
| Finance leases 18(c) | 201 | 167 | - | - |
| Payments on account | 301 | 471 | - | - |
| | <u>9,586</u> | <u>8,366</u> | <u>6,721</u> | <u>5,493</u> |
| Due after more than one year:- | | | | |
| Finance leases 18(c) | 120 | 190 | - | - |

There are no amounts payable after more than five years in respect of finance leases

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS - continued

14. Share capital

| | | 1998 Allotted called up and fully paid | 1997 Allotted called up and fully paid |
|----------------------------|---------------------|---|---|
| | Authorised £'000 | £'000 | £'000 |
| Deferred £1 shares | 424 | 424 | 424 |
| 10% 'A' Ordinary £1 shares | 1,210 | 1,210 | 1,210 |
| Ordinary £1 shares | 590 | 160 | 160 |
| Unclassified shares | 276 | - | - |
| | <u>2,500</u> | <u>1,794</u> | <u>1,794</u> |

Non-equity Share Capital

The 10% A Ordinary shares of £1 each qualify for a cumulative preferential dividend of 10% per annum of the nominal value and share pari passu with the other classes of shares, any dividend in excess of 10%. These shares have priority to the other classes on a liquidation for the nominal value of the shares and any unpaid preferential dividends. The shares normally carry one vote each in a general meeting.

Equity Share Capital

The Ordinary shares of £1 each qualify for a dividend at the discretion of the directors, rank for a distribution on liquidation after the 10% A Ordinary shareholders have been paid and carry one vote per share in a general meeting. The deferred shares of £1 each qualify for a dividend at the discretion of the directors, rank for a distribution on liquidation after the other shareholders have been paid, and carry 5 votes per share in a general meeting.

15. Reconciliation of movement in shareholders' funds and movements on reserves.

| | Group | | Company | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Profit and Loss Account | 1998 £'000 | 1997 £'000 | 1998 £'000 | 1997 £'000 |
| Distributable brought forward | 6,289 | 5,193 | 5,979 | 5,169 |
| Retained earnings in year | 1,394 | 1,070 | 664 | 778 |
| Release from revaluation reserve | 32 | 32 | 32 | 32 |
| Purchased goodwill written off | - | (6) | - | - |
| | <u>7,715</u> | <u>6,289</u> | <u>6,675</u> | <u>5,979</u> |
| Non-distributable Pre-acquisition | 95 | 95 | - | - |
| | <u>7,810</u> | <u>6,384</u> | <u>6,675</u> | <u>5,979</u> |

An aggregate amount of £1,451,000 (1997 £1,451,000) goodwill has been written off against reserves since the creation of the Group in 1982.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS - continued

15. Reconciliation of movement in shareholders' funds and movements on reserves. (continued)

| | Group | | Company | |
|---|---------------|---------------|---------------|---------------|
| Revaluation Reserve | 1998 £'000 | 1997 £'000 | 1998 £'000 | 1997 £'000 |
| Revaluation of Subsidiaries brought forward | - | - | 1,934 | 1,642 |
| Revaluation current year | - | - | 731 | 292 |
| | - | - | 2,665 | 1,934 |
| Revaluation of property | 2,025 | 2,057 | 2,025 | 2,057 |
| Release to revenue reserve | (32) | (32) | (32) | (32) |
| | <u>1,993</u> | <u>2,025</u> | <u>4,658</u> | <u>3,959</u> |

The profit dealt with in the accounts of the parent undertaking was £401,000 (1997 £425,000).

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| Shareholders' Funds | 1998 £'000 | 1997 £'000 | 1998 £'000 | 1997 £'000 |
| Brought forward | 10,222 | 9,158 | 11,751 | 10,681 |
| Profit attributable to Shareholders | 2,166 | 1,807 | 1,436 | 1,515 |
| Dividends | (740) | (705) | (740) | (705) |
| Movement in revaluation Reserve | (32) | (32) | 699 | 260 |
| Purchased goodwill written off | - | (6) | - | - |
| | <u>11,616</u> | <u>10,222</u> | <u>13,146</u> | <u>11,751</u> |
| Shareholders' Funds comprise: | | | | |
| Equity interests | 10,406 | 9,012 | 11,936 | 10,541 |
| Non-equity interests | 1,210 | 1,210 | 1,210 | 1,210 |
| | <u>11,616</u> | <u>10,222</u> | <u>13,146</u> | <u>11,751</u> |

16. Deferred Taxation

Deferred taxation provided in the accounts and the amounts not provided are as follows:-

| | 1998 Full potential liability £'000 | 1998 Provided £'000 | 1997 Full potential liability £'000 | 1997 Provided £'000 |
|--------------------------------|--|---------------------------|--|---------------------------|
| Accelerated capital allowances | | | | |
| Company | 57 | 57 | 67 | 67 |
| Subsidiaries | (50) | 27 | (69) | 31 |
| Revaluation surplus | 324 | - | 360 | - |
| | <u>331</u> | <u>84</u> | <u>358</u> | <u>98</u> |

No deferred taxation is provided on earnings retained overseas as it is considered not material.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS - continued

17. Consolidated Cash Flow Statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

| | 1998 £'000 | 1997 £'000 |
|---|---------------|---------------|
| Operating Profit | 2,801 | 2,552 |
| Depreciation | 736 | 810 |
| Profit on sale of fixed assets | (17) | (38) |
| Increase in stocks | (239) | (84) |
| Increase in Debtors | (250) | (568) |
| Increase/(Decrease) in Creditors | 1,075 | (646) |
| Net cash inflow from operating activities | <u>4,106</u> | <u>2,026</u> |

(b) Analysis of cashflows for headings netted in the cashflow statement:-

| | 1998 £'000 | 1997 £'000 |
|--|---------------|---------------|
| Returns on Investment and Servicing of Finance | | |
| Interest received | 416 | 332 |
| Non equity Dividend paid | (471) | (457) |
| Interest on finance lease rentals | (29) | (34) |
| Net cash out flow for returns on investment and servicing of finance | <u>(84)</u> | <u>(159)</u> |

(c) Capital expenditure and financial investment:-

| | 1998 £'000 | 1997 £'000 |
|-----------------------------------|---------------|---------------|
| Purchase of tangible fixed assets | (733) | (548) |
| Disposal of fixed assets | 56 | 54 |
| | <u>(677)</u> | <u>(494)</u> |

(d) Analysis of Net Liquid Funds:-

| | 01/04/97 £'000 | Cash Flow £'000 | Other Non Cash Charges £'000 | 31/03/98 £'000 |
|--------------------------|-------------------|--------------------|------------------------------------|-------------------|
| Cash at bank and in hand | 5,530 | 1,742 | - | 7,272 |
| Finance leases | (357) | 195 | (159) | (321) |
| | <u>5,173</u> | <u>1,937</u> | <u>(159)</u> | <u>6,951</u> |

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS - continued

18. Financial Commitments

| | 1998 £'000 | 1997 £'000 |
|----------------------------------|---------------|---------------|
| (a) Future capital expenditure:- | | |
| Committed | 669 | 1,395 |

(b) Annual commitments under non-cancellable operating lease agreements which expire within the specified periods are as follows:-

| | Land & Buildings | | Other | |
|-------------------|------------------|---------------|---------------|---------------|
| | 1998 £'000 | 1997 £'000 | 1998 £'000 | 1997 £'000 |
| Within one year | 66 | 75 | - | 2 |
| Two to five years | 92 | 16 | - | 10 |
| Over five years | 244 | 291 | - | - |
| | <u>402</u> | <u>382</u> | <u>-</u> | <u>12</u> |

(c) Future commitments under finance leases:-

| | 1998 £'000 | 1997 £'000 |
|---|---------------|---------------|
| Within one year | 215 | 194 |
| Two to five years | 129 | 194 |
| | <u>344</u> | <u>388</u> |
| Less future interest charges | (23) | (31) |
| Capital outstanding | <u>321</u> | <u>357</u> |
| Amounts falling due within one year (note 13) | 201 | 167 |
| Amounts falling due after one year (note 13) | 120 | 190 |
| | <u>321</u> | <u>357</u> |

(d) Contingent Liability

A customer has issued Court actions against Jordans Ltd and certain of its subsidiaries. These are being actively contested. It is believed that the ultimate resolution of this dispute will not have any significant effect on the financial position of the Group.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE ACCOUNTS - continued

19. Directors' Shareholdings

| | Deferred | | 10% 'A' Ordinary | | Ordinary | |
|-----------------|----------|---------|------------------|--------|----------|--------|
| | 31.3.98 | 1.4.97 | 31.3.98 | 1.4.97 | 31.3.98 | 1.4.97 |
| S.N.L.Chalton | - | - | 16,200 | 14,200 | 3,953 | 3,953 |
| H.G.M. Leighton | 166,000 | 166,000 | 400 | 300 | 2,320 | 300 |
| R. Templeton | - | - | 6,000 | 5,000 | 2,974 | 954 |
| M. Whitwell | 40,150 | 40,150 | 75,563 | 69,671 | 15,887 | 15,287 |
| I.A. Harbottle | 68,050 | 68,050 | - | - | - | - |

20. Pension Schemes

The company operates defined benefit pension schemes covering eligible employees of the group. The schemes are valued periodically by qualified actuaries. The most recent valuations were carried out at 1st April 1998 using the projected unit method and were based on the actuarial assumption that the future investment return would exceed the increase in pensionable earnings by 1% per annum. The results of the combined valuations at 31st March 1998 were as follows:-

| | | | |
|----------------------------------|------------|---------------------------------------|-------|
| Market value of the assets | £6,420,613 | Main assumptions over a 25 year term: | |
| Actuarial value as percentage of | | Rate of return on investments | 9% pa |
| accrued benefit to members | 106% | Rate of salary increases | 8% pa |

The group also makes contributions to a money purchase pension scheme held for the benefit of individual employees.

THE WEST OF ENGLAND TRUST LIMITED
**STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE ACCOUNTS**

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

- select suitable accounting policies and then 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 accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group 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 Group, and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE WEST OF ENGLAND TRUST LIMITED**

We have audited the accounts on pages 8 to 22 which have been prepared under the historical cost convention modified to include the revaluation of certain assets and on the basis of the accounting policies set out on page 12.

Respective responsibilities of directors and auditors

As described above, the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion based on our audit on those accounts, and to report our opinion to you.

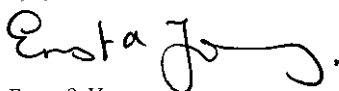
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the Group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and a fair view of the state of affairs of the Company and of the Group as at 31st March 1998, and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Bristol
16th September 1998

THE WEST OF ENGLAND TRUST LIMITED
NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 21 St Thomas Street, Bristol at 12 noon on 28th October 1998 for the following purposes:-

1. To receive the Reports of the directors and auditors, and the accounts for the year ended 31st March 1998.

2. **Special Dividend.** To consider and if thought fit pass the following resolution which will be proposed as an Ordinary Resolution:

"THAT the payment by the Company of a special Dividend, payable to the holder (or in the case of joint holders, to the first named holder) entered in the Register of Members of the Company on the date of the passing of this resolution, of an issued fully paid share in the Company of whatever class, in the sum of £1.50 per share held be and the same is hereby approved. Such dividend to be paid on the 8th January 1999".

3. To re-appoint Ernst & Young as auditors of the Company, and to authorise the directors to fix their remuneration.

4. To transact any other ordinary business of the Company.



21 St Thomas Street
Bristol BS1 6JS
16th September 1998

By Order of the Board
I. A. Harbottle
Secretary

Notes

1. Any member who is entitled to attend and on a poll to this meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

2. To be valid, forms of proxy, duly completed, must be lodged at the registered office of the Company no less than forty-eight hours before the appointed time for the meeting.