

1636508

THE WEST OF ENGLAND TRUST LIMITED  
CONTENTS AND INFORMATION

**CONTENTS**

Group Activities	2 & 3
Chairman's Statement	4
Report of the Directors	5
Consolidated Profit and Loss Account	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Accounts	10
Statement of Directors' Responsibilities	19
Report of the Auditors	19
Notice of Meeting	20

**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***

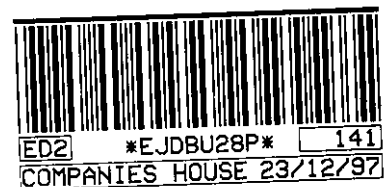
1636508

***Auditors***

Ernst & Young, Bristol

***Bankers***

Barclays Bank PLC



THE WEST OF ENGLAND TRUST LIMITED  
**GROUP ACTIVITIES**

**JORDAN GROUP OF COMPANIES**

CORPORATE AND INFORMATION SERVICES  
LAW PUBLISHERS



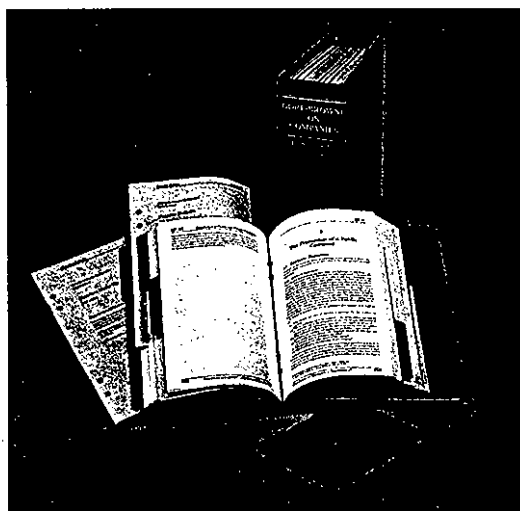
Jordans is the largest and longest established Company Registration and Information Business in the United Kingdom and is unique for the range of services and specialist law publications it provides to the international professional and business community. Since 1863 group companies have supported customers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

**JORDANS**

JORDANS LIMITED is providing a progressively more complete service to the professions. Its company formation activities are supplemented by name protection services, such as the registration of trade marks and domain names on the Internet. A very wide range of company administration services is available, including easy to use software for those customers who want to undertake the work themselves, but with the benefit of Jordans' expertise.

The registration of companies and partnerships in almost every major jurisdiction throughout the world is supplemented by the provision of management and administration facilities to service the business and statutory compliance requirements of these entities. Customers' international tax planning strategies are implemented by a network of offshore subsidiary operations in Jersey, the Isle of Man, Gibraltar, Ireland, the Bahamas and the British Virgin Islands. A branch operation has recently been established in the Netherlands.

The Company is a major supplier of business information whether in respect of companies and intellectual property, or in connection with property conveyancing, environmental issues, family law or other matters. Services range from searches for factual legal purposes to analyses, surveys and directories, utilising information held on extensive in-house databases. Information is available on-line, on CD-ROM or disk, in printed format and from leading hosts. Services benefit from the combination of experience in the subject matters and advanced information technology. Added value is provided by the interpretation of raw data and various monitoring services alert customers to the latest available information.



JORDAN PUBLISHING LIMITED has maintained the expansion of its law publishing and continuing education activities. Disciplines include company and commercial, family and child, property, private client, charity, education, criminal and employment law and practice. Books, journals and law reports in traditional printed format and on CD ROM are complemented by a wide range of conferences and courses held in the United Kingdom and overseas. The Company publishes training material for the College of Law and is accredited by the Law Society and The Institute of Chartered Accountants in England and Wales as a provider of continuing education for the professions. It is also a major publisher of statutory/practice forms and registers required under the companies Acts and related legislation of the United Kingdom and many overseas jurisdictions.

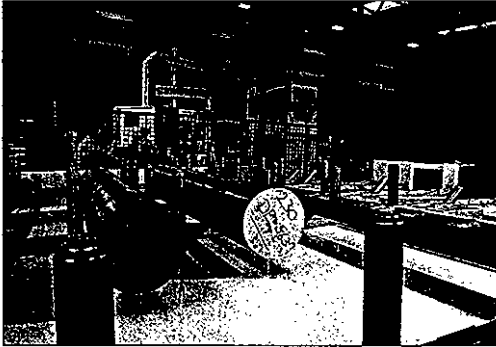
The underlying business goal is to meet successfully customers' changing needs and to provide superior products and service in a technology based commercial environment. Accreditation under BS EN ISO 9002: 1994 is an indication of Jordans' commitment to quality and value for money services. The objective is to exceed customers expectations.

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.

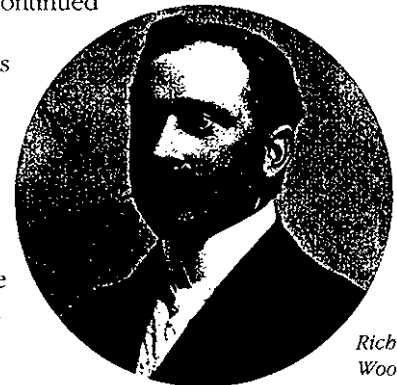
Woodberry Chillcott's customers range from large industrial groups to the small precision engineer. No matter who the customer is, the aim is to provide a first class service. Emphasis is placed on quality products and stock levels of all items are maintained at high levels to meet demand. This is complimented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

procure specialist items for the customer with the more obscure requirement.

Woodberry Chillcott operates an extensive sawing facility, with fully automatic machines, which enables material to be cut to customers' order in minimal time.

As part of the quest to improve the efficiency of the business, the Company is currently carrying out a programme of renewal throughout the business. In recent months a new computer system has been introduced and on completion of this project the business will benefit from a much improved control and information system. Work has started on re-development of the Atlas Street site which comprises new offices, trade counter and warehouse, together with a new entrance to the site. These improvements will enable Woodberry Chillcott to give an even better service to customers.

In contrast to these developments shareholders may be interested to learn of the origins of Woodberry Chillcott. The business was started in 1911 by Richard Woodberry and Arthur Chillcott and traded from 31 Temple Street, Bristol, now the site of the central fire station. At that time steel was delivered by horse drawn cart. Mr Chillcott left during the First World War to join the Royal Flying Corps and had little involvement thereafter. The Woodberry family continued to run the business until 1939 at which time it was sold to Mr Alexander Wood. From 1946 the business was managed by his son Denis, who concentrated activities into supplying the needs of the precision engineer particularly those involved with the Bristol aircraft industry. It was during this period that the well known elephant symbol was introduced; it was intended to remind customers that, like the elephant, Woodberrys never forgets. In an earlier part of his life Mr Denis Wood had been a tea planter in India and doubtless the elephant had been a common sight in those days, as it is with our customers today.



*Richard  
Woodberry*



THE WEST OF ENGLAND TRUST LIMITED  
**CHAIRMAN'S STATEMENT**

For the year ended 31st March 1997 the group's profit before taxation was £2,850,000 compared to the record level of £3,099,000 achieved in 1995/6.

Dividends of 40p (1996 38p) per share have been paid to shareholders during the financial year, an increase of just over five per cent reflecting the Board's wish to maintain a progressive dividend policy, in the light of the company's strong balance sheet and its confidence about the trading outlook for the group.

Jordan's publishing business is now one of the leading independent law publishers in the UK with a general law list no longer confined to specialised areas. It continued to make very good progress during the year and enjoyed a further substantial rise in profits. The success and growth of this division has led to the decision to separate it from the corporate services business and to establish it as a separate subsidiary, Jordan Publishing Ltd, from the start of the current financial year. Its Board led by Richard Hudson, who has been responsible for the successful development of the business for the last nine years, reports to The West of England Trust.

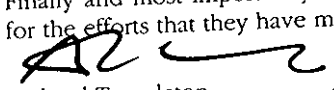
In my report last year on Jordans Corporate Services, I mentioned that the market in which the International division operated was becoming more competitive. In this growing market the International division has, under Martin Palmer built up its infrastructure through additions to its professional staff and opening a new office in Jersey. In addition a branch office has been established in Amsterdam. These developments, which will give the division much greater access to business in these important financial centres, had some short term impact on profits in the year under review but will provide significant benefits in the longer term. The division has built on its company formation business and expanded its products and services to meet the growing demands of the international market place.

Although profits of the UK Corporate Services Division were down on the previous year, major progress has been achieved in restructuring its activities. Stephen Curtis, a former Registrar of Companies, was appointed to head the division and together with his management team has embarked on a programme of development and change in order to meet the new demands of the market place. New services are being developed and in particular, sales and marketing resources are being strengthened.

Tonnage of steel sold at Woodberry Chillcott reached record levels but falling steel prices affected overall revenues and more importantly reduced margins and profits. The Kaltenbach saws have fully proved their worth enabling Woodberry to add value to the steel turnover by providing this additional capacity. Installation of the new computer system has taken longer than anticipated due to the need to revise some of the programmes and this has absorbed senior management resource. Despite this delay, the new system will provide much improved stock and customer information, which will greatly improve the overall efficiency of the business. Work started in September on the development at Feeder Road which I described in my report last year. It is anticipated that the total development will take two years to complete. When finished these works will have transformed the material handling capability of the distribution centre which will be capable of supporting significant expansion of the business under the Managing Director Nick Cox and his team.

Overall the outlook for the current year looks favourable for the group. The Jordan businesses have started the year well and are on course to exceed their performance in 1996/97. Steel volumes at Woodberry continue at record levels with the first six months of the current year showing a ten per cent increase of volume on the same period last year, but an improvement in profits remains dependent on a recovery in steel prices.

Finally and most importantly I should like to thank every one working in the group for the efforts that they have made during the year.

  
Richard Templeton  
28th October 1997

THE WEST OF ENGLAND TRUST LIMITED  
**REPORT OF THE DIRECTORS**

The Directors present their Report and Accounts for the year ended 31st March 1997.

***Group Activities and Business Review***

Details of Group activities are set out on pages 2 & 3 and a review of the year is covered in the Chairman's Statement on page 4.

***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 6. Movements in fixed assets during the year are disclosed in note 9 to the accounts.

***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***

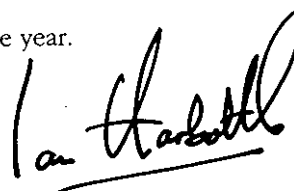
The Company aims to involve all employees in the performance and development of the Group. A significant number of employees are shareholders in the company.

***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

By Order of the Board  
I. A. Harbottle  
Secretary

28th October 1997

THE WEST OF ENGLAND TRUST LIMITED  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

for the year ended 31st March 1997

	Notes	1997 £'000	1996 £'000
Turnover	2	26,693	25,493
Cost of sales		<u>(17,103)</u>	<u>(15,496)</u>
Gross profit		9,590	9,997
Distribution costs		(1,695)	(1,464)
Administrative expenses		<u>(5,343)</u>	<u>(5,688)</u>
Operating profit	3	2,552	2,845
Interest receivable		332	290
Interest payable	6	<u>(34)</u>	<u>(36)</u>
Profit on ordinary activities before taxation		2,850	3,099
Taxation	7	<u>(1,075)</u>	<u>(1,072)</u>
Profit on ordinary activities after taxation		1,775	2,027
Dividends (including non-equity)	8	<u>(705)</u>	<u>(679)</u>
Retained Profit for the year	15	1,070	1,348
Release from revaluation reserve		32	32
Transfer to revenue reserve		<u>1,102</u>	<u>1,380</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 1997

	Notes	1997 £'000	1996 £'000
Fixed Assets			
Tangible Assets	9		
Land and Buildings		3,296	3,368
Plant and Equipment		1,582	1,610
		<u>4,878</u>	<u>4,978</u>
Current Assets			
Stock and work in progress	11	1,970	1,886
Debtors	12	6,498	5,959
Cash at bank and in hand		5,530	5,567
		<u>13,998</u>	<u>13,412</u>
Creditors			
Amounts falling due within one year	13	(8,366)	(9,023)
Net Current Assets		<u>5,632</u>	<u>4,389</u>
Total Assets less Current Liabilities		10,510	9,367
Creditors			
Amounts falling due after more than one year	13	(190)	(188)
Provisions for liabilities and charges			
Deferred taxation	16	(98)	(21)
		<u>10,222</u>	<u>9,158</u>
Capital and Reserves (including non-equity interests)			
Called up Share Capital	14	1,794	1,794
Share Premium		19	19
Revaluation Reserve	15	2,025	2,057
Profit and Loss Account	15	6,384	5,288
Total Shareholders' Funds	15	<u>10,222</u>	<u>9,158</u>

Approved by the Board on 28th October 1997

Richard Templeton  
H. Gerard M. Leighton  
Directors

*Handwritten signatures:*  
A large stylized signature (possibly "RT") and a signature that reads "H Gerard M Leighton".

The notes on pages 10 to 18 form part of these accounts

THE WEST OF ENGLAND TRUST LIMITED  
COMPANY BALANCE SHEET

as at 31st March 1997

	Notes	1997 £'000	1996 £'000
Fixed Assets	9	3,232	3,229
Investments	10	<u>7,085</u>	<u>6,793</u>
		10,317	10,022
Current Assets			
Debtors	12	1,528	1,205
Cash at Bank		<u>5,500</u>	<u>5,101</u>
		7,028	6,306
Creditors			
Amounts falling due within one year	13	<u>(5,527)</u>	<u>(5,647)</u>
		1,501	659
Net Current Assets			
Total Assets less Current liabilities		11,818	10,681
Creditors			
Amounts falling due after more than one year	13	-	-
Provisions for liabilities and charges			
Deferred Taxation	16	<u>(67)</u>	<u>-</u>
		11,751	10,681
Capital and Reserves (including non-equity interests)			
Called up Share Capital	14	1,794	1,794
Share Premium		19	19
Revaluation Reserve	15	3,959	3,699
Profit and Loss Account	15	<u>5,979</u>	<u>5,169</u>
Total Shareholders' Funds	15	11,751	10,681

Approved by the Board on 28th October 1997

Richard Templeton  
H. Gerard M. Leighton  
Directors

*[Handwritten signature: H. Gerard M. Leighton]*

The notes on pages 10 to 18 form part of these accounts



THE WEST OF ENGLAND TRUST LIMITED  
**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended 31st March 1997

	Notes	1997 £'000	1996 £'000
Cash flow from Operating Activities	17(a)	2,026	3,836
Return on Investments and Servicing of Finance	17(b)	(159)	(61)
Taxation		(1,013)	(868)
Capital expenditure and financial investment	17(c)	(494)	(671)
Dividends paid		(222)	(151)
	17(d)	138	2,085
Financing - capital element of finance leases paid		(175)	(218)
(Reduction)/Increase in cash in the period		(37)	1,867
Reconciliation of Net Cash flow to Movement in Net Liquid Funds:-			
(Reduction)/Increase in cash		(37)	1,867
Cash outflow from increase in lease finance		175	218
New finance leases	17(d)	(178)	(241)
Movement in Net Liquid Funds		(40)	1,844
Net Liquid Funds at 1 April 1996	17(d)	5,213	3,369
Net Liquid Funds at 31 March 1997	17(d)	5,173	5,213

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 1997. 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 - continued**

**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 £2,507,155 (1996 £2,566,770), of these exports £1,964,631 (1996 £2,008,196) were to Europe and £542,524 (1996 £558,574) 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)

	1997 £'000	1996 £'000
Depreciation on owned assets	613	497
Depreciation on assets held under finance leases	197	180
Auditors' remuneration	41	41
Hire of plant and equipment	65	78
Leasehold property rents	418	412
Profit on disposal of fixed assets	(38)	(34)

**4. Employees**

	1997 No.	1996 No.
Average weekly number of employees:-		
Production	157	147
Sales and distribution	128	134
Administration	72	72
	<u>357</u>	<u>353</u>

	1997 £'000	1996 £'000
Employee costs during the year:-		
Wages and salaries	5,729	5,312
Social Security costs	490	439
Pension contributions	311	267
	<u>6,530</u>	<u>6,018</u>

	1997 £'000	1996 £'000
<b>5. Directors' emoluments</b>		
Fees	30	30
Other emoluments	163	148
	<u>193</u>	<u>178</u>

Emoluments of the highest paid director	79	78
Accrued pension at end of year	32	-

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

**6. Interest Payable**

	1997 £'000	1996 £'000
Finance lease and hire purchase contracts	<u>34</u>	<u>36</u>

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

**7. Taxation**

	1997 £'000	1996 £'000
Corporation tax at 33% (1996 - 33%)	953	970
Overseas taxation	39	81
Deferred tax	74	21
Prior year adjustment	9	-
	<u>1,075</u>	<u>1,072</u>

**8. Dividends**

	1997 £'000	1996 £'000
Dividends paid and proposed on all classes as follows:-		
1st Interim		
10% 'A' Ord (non-equity) and Ord (2.10.96) 5p per share	69	69
Deferred (28.10.96) 5p per share	21	21
2nd Interim		
10% 'A' Ord (non-equity) and Ord (2.4.97) 5p per share	68	68
Deferred (20.8.97) 35p per share	148	140
3rd Interim		
10% 'A' Ord (non-equity) and Ord (20.8.97)		
30p per share	<u>399</u>	<u>381</u>
	<u>705</u>	<u>679</u>
Aggregate dividends paid to:		
Equity Shareholders	234	222
Non-Equity Shareholders	471	457

**9. Fixed Assets - Tangible**

Group	Freehold Property £'000	Leasehold Property £'000	Plant & Machinery £'000	Total £'000
Cost or valuation at beginning of year	3,571	793	5,337	9,701
Additions	49	-	677	726
Disposals	-	-	(257)	(257)
Cost or valuation at end of year	<u>3,620</u>	<u>793</u>	<u>5,757</u>	<u>10,170</u>
Depreciation at beginning of year	342	654	3,727	4,723
Charge for the year	46	75	689	810
Disposals	-	-	(241)	(241)
Depreciation at end of year	<u>388</u>	<u>729</u>	<u>4,175</u>	<u>5,292</u>
Net book value:-				
at 31st March 1997	<u>3,232</u>	<u>64</u>	<u>1,582</u>	<u>4,878</u>
at 1st April 1996	<u>3,229</u>	<u>139</u>	<u>1,610</u>	<u>4,978</u>

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

9. *Fixed Assets - Tangible (continued)*

Company	Freehold Property £'000	Leasehold Property £'000	Plant & Machinery £'000	Total £'000
Cost or valuation at beginning of year	3,571	-	23	3,594
Additions	49	-	-	49
Cost or valuation at end of year	3,620	-	23	3,643
Depreciation at beginning of year	342	-	23	365
Charge for the year	46	-	-	46
Depreciation at end of year	388	-	23	411
Net book value:-				
at 31st March 1997	3,232	-	-	3,232
at 1st April 1996	3,229	-	-	3,229

The net book value of Plant and Machinery above includes an amount of £443,585 (1996 £409,842) 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 1997 totals £63,000 (1996 £54,000)

10. *Investment in Subsidiary Undertakings*

	1997 £'000	1996 £'000
Shares at cost	5,505	5,505
Revaluation (note 1(g)) brought forward	1,288	803
Movement in year	292	485
Net asset value including goodwill	7,085	6,793
Amounts due from subsidiary companies	1,356	1,005
Amounts due to subsidiary companies	(4,562)	(4,472)
Net investment	3,879	3,326

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 and 3. The Company has set up an ESOP but it did not hold any shares at 31st March 1997.

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

**11. Stock and work in progress**

	1997 £'000	1996 £'000
Raw materials and consumables	69	126
Finished goods and stock for resale	1,773	1,650
Work in progress	128	110
	<u>1,970</u>	<u>1,886</u>

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

**12. Debtors**

	Group		Company	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Due within one year:-				
Trade debtors	5,532	5,149	3	2
Prepayments	740	539	-	-
Amount due from subsidiaries	-	-	1,356	1,005
ACT recoverable	169	198	169	198
Loans to employees for share purchase	57	73	-	-
	<u>6,498</u>	<u>5,959</u>	<u>1,528</u>	<u>1,205</u>

**13. Creditors**

	Group		Company	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Due within one year:-				
Trade creditors	2,856	3,235	148	127
Bank overdraft	-	-	34	291
Amount due to subsidiaries	-	-	4,562	4,472
Tax and social security	524	437	32	37
Corporation Tax	1,039	1,083	138	131
Accruals and deferred income	2,694	3,157	-	-
Dividends	615	589	613	589
Finance leases 18(c)	167	166	-	-
Payments on account	471	356	-	-
	<u>8,366</u>	<u>9,023</u>	<u>5,527</u>	<u>5,647</u>
Due after more than one year:-				
Finance leases 18(c)	<u>190</u>	<u>188</u>	<u>-</u>	<u>-</u>

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*

	Authorised	1997 Allotted called up and fully paid	1996 Allotted called up and fully paid
	£'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	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Distributable brought forward	5193	3,813	5169	4,273
Retained earnings in year	1070	1,348	778	864
Release from revaluation reserve	32	32	32	32
Purchased goodwill written off	(6)	-	-	-
	<u>6289</u>	<u>5,193</u>	<u>5979</u>	<u>5,169</u>
Non-distributable Pre acquisition	95	95	-	-
	<u>6384</u>	<u>5,288</u>	<u>5979</u>	<u>5,169</u>

An aggregate amount of £1,451,000 (1996 £1,445,000) 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	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Revaluation Reserve				
Revaluation of Subsidiaries brought forward	-	-	1,642	1,157
Revaluation current year	-	-	292	485
	-	-	1,934	1,642
Revaluation of property	2,057	2,089	2,057	2,089
Release to revenue reserve	(32)	(32)	(32)	(32)
	<u>2,025</u>	<u>2,057</u>	<u>3,959</u>	<u>3,699</u>

In accordance with Section 230(3) of the Companies Act 1985, the Company has not presented its own profit & loss account.

	Group		Company	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
<b>Shareholders' Funds</b>				
Brought forward	9,158	7,810	10,681	9,332
Profit attributable to Shareholders	1,807	2,059	1,515	1,575
Dividends	(705)	(679)	(705)	(679)
Movement in revaluation Reserve	(32)	(32)	260	453
Purchased goodwill written off	(6)	-	-	-
	<u>10,222</u>	<u>9,158</u>	<u>11,751</u>	<u>10,681</u>
<b>Shareholders' Funds comprise:</b>				
Equity interests	9,012	7,948	10,541	9,471
Non-equity interests	1,210	1,210	1,210	1,210
	<u>10,222</u>	<u>9,158</u>	<u>11,751</u>	<u>10,681</u>

**16. Deferred Taxation**

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

	1997 Full potential liability £'000	1997 Provided £'000	1996 Full potential liability £'000	1996 Provided £'000
Accelerated capital allowances				
Company	67	67	18	-
Subsidiaries	(69)	31	21	21
Revaluation surplus	360	-	345	-
	<u>358</u>	<u>98</u>	<u>384</u>	<u>21</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

	1997 £'000	1996 £'000
Operating Profit	2,552	2,845
Depreciation	810	677
Profit on sale of fixed assets	(38)	(37)
Increase in stocks	(84)	(132)
Increase in Debtors	(568)	(114)
(Decrease)/Increase in Creditors	(646)	597
Net cash inflow from operating activities	<u>2,026</u>	<u>3,836</u>

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

	1997 £'000	1996 £'000
Returns on Investment and Servicing of Finance		
Interest received	332	290
Non equity Dividend paid	(457)	(315)
Interest of finance lease rentals	(34)	(36)
Net cash out flow for returns on investment and servicing of finance	<u>(159)</u>	<u>(61)</u>

(c) Capital expenditure and financial investment:-

	1997 £'000	1996 £'000
Purchase of tangible fixed assets	(548)	(782)
Disposal of fixed assets	54	111
	<u>(494)</u>	<u>(671)</u>

(d) Analysis of Net Liquid Funds:-

	01/04/96 £'000	Cash Flow £'000	Other Non Cash Charges £'000	31/03/97 £'000
Cash at bank and in hand	5,567	(37)	-	5,530
Finance leases	(354)	175	(178)	(357)
	<u>5,213</u>	<u>138</u>	<u>(178)</u>	<u>5,173</u>

**18. Financial Commitments**

	1997 £'000	1996 £'000
(a) Future capital expenditure:-		
Committed	<u>1,395</u>	<u>32</u>

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

**18. Financial Commitments (continued)**

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

	Land & Buildings		Other	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Within one year	75	96	2	1
Two to five years	16	42	10	9
Over five years	291	298	-	-
	<u>382</u>	<u>436</u>	<u>12</u>	<u>10</u>

(c) Future commitments under finance leases:-

	1997 £'000	1996 £'000
Within one year	194	187
Two to five years	194	207
	<u>388</u>	<u>394</u>
Less future interest charges	(31)	(40)
Capital outstanding	<u>357</u>	<u>354</u>
Amounts falling due within one year (note 13)	167	166
Amounts falling due after one year (note 13)	190	188
	<u>357</u>	<u>354</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.

**19. Directors' Shareholdings**

	Deferred		10% 'A' Ordinary		Ordinary	
	31.3.97	1.4.96	31.3.97	1.4.96	31.3.97	1.4.96
S.N.L.Chalton	-	-	14,200	14,200	3,953	3,953
H.G.M. Leighton	166,000	166,000	300	300	300	300
R. Templeton	-	-	5,000	4,000	954	954
M. Whitwell	40,150	40,150	69,671	65,521	15,287	15,287
I.A. Harbottle	68,050	68,050	-	-	-	-

**20. Pension Schemes**

The group 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 1995 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 1st April 1995 were as follows:-

Market value of the assets	£4,242,152	Main assumptions over a 25 year term:
Actuarial value as percentage of accrued benefit to members	105%	Rate of return on investments 9% pa
		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 6 to 18 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 10.

***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 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

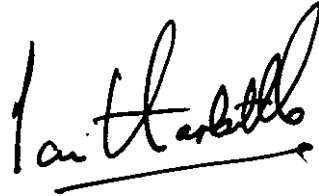


Ernst & Young  
Chartered Accountants  
Registered Auditor  
Bristol  
28th October 1997

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 20th November 1997 for the following purposes:-

1. To receive the reports of the directors and auditors and the accounts for the year ended 31st March 1997.
2. To reappoint Ernst & Young as auditors of the Company and to authorise the directors to fix their remuneration.
3. To transact any other ordinary business of the Company.



21 St Thomas Street  
Bristol BS1 6JS

By Order of the Board  
I. A. Harbottle  
Secretary

28th October 1997

**Notes**

1. Any member who is entitled to attend and on a poll to vote at 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.

