

SC 57796

JORDANS (SCOTLAND) LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2003



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JORDANS (SCOTLAND) LIMITED

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JORDANS (SCOTLAND) LIMITED

BOARD OF DIRECTORS:

D A Bennett
A S Cockburn
S R Curtis
D J McNeil

JOINT SECRETARIES:

R J Taylor
The West of England Trust Limited

REGISTERED OFFICE:

24 Great King Street
Edinburgh
EH3 6QN

Registered in Scotland No.57796

JORDANS (SCOTLAND) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report and the Accounts for the year ended 31st March 2003.

PRINCIPAL ACTIVITIES

The Company, under the name Oswalds, trades as company formation and search agents and provides a specialist Scottish property information service.

The registration of new companies and partnerships is complemented by the ability to service the requirements of existing companies through the supply of company secretarial, management and administration services, the provision of leading compliance software, document filing services, name registration.

The supply of detailed information on both UK companies and those registered in the major industrial nations of the world benefits from the combination of experience in company matters and advanced data technology. Searches are undertaken in various registers in connection with property conveyancing and environmental searches of residential and commercial sites are provided where appropriate.

RESULTS AND BUSINESS REVIEW

Gross profit rose by over one-third last year as the Company increased its turnover whilst keeping down its costs. It introduced innovative methods of company formation warmly welcomed by its Scottish clients, while reinforcing its ability to provide a wide range of corporate services to Scotland. It continued successfully to mitigate the effect on its property work of the move to the land register and to take advantage of new opportunities.

FUTURE DEVELOPMENTS

The company continues to develop its services to anticipate and meet customer needs. It looks to the future with confidence. The work of the Scottish Parliament, developments in technology and emerging requirements from its customers will all help it find new products to deliver and new markets to serve, building on the reputation, expertise and diverse product range that has been key to the success of the business to date.

JORDANS (SCOTLAND) LIMITED

REPORT OF THE DIRECTORS

DIRECTORS AND THEIR INTERESTS

The Directors appearing on page 1 have served throughout the year. D J McNeil resigned on 31 March 2003. Directors' shareholdings, including those of their families, in the share capital of the Ultimate Parent Company, are set out below:

	The West of England Trust Limited			
	£1 Ordinary Shares		£1 'A' Ordinary Shares	
	31 st March 2003	1st April 2002	31st March 2003	1st April 2002
D A Bennett	2,000	2,000	-	-
A S Cockburn	-	-	1,450	1,450
S R Curtis	-	-	13,182	13,182

CLOSE COMPANY STATUS

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

AUDITORS

It is proposed that a resolution to re-appoint Ernst & Young LLP as the Company's auditors will be put to the members at the forthcoming Annual General Meeting.

24 Great King Street
Edinburgh
EH3 6QN

By Order of the Board
R J Taylor



Date: 25th September 2003

Joint Secretary

JORDANS (SCOTLAND) 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 profit or loss of the Company 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; and
- prepare the accounts 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 accounts 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.

JORDANS (SCOTLAND) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JORDANS (SCOTLAND) LIMITED

We have audited the company's financial statements for the year ended 31 March 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. These financial statements have been prepared on the basis of 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 auditors' 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 the financial statements in accordance with applicable United Kingdom 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 apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Registered Auditor
Bristol

Ernst & Young LLP

Date: *26 Sept 2003*

JORDANS (SCOTLAND) LIMITED
PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2003

	Notes	2003 £	2002 £
Turnover	2	1,258,613	1,203,706
Cost of Sales		(1,013,034)	(1,024,046)
		-----	-----
Gross Profit		245,579	179,660
Distribution costs		(43,818)	(45,609)
Selling and Administrative expenses		(185,776)	(177,676)
		-----	-----
Operating profit	3	15,985	(43,625)
Net interest receivable		-	1,444
		-----	-----
Profit/(loss) on ordinary activities Before taxation		15,985	(42,181)
Taxation	6	(5,720)	-
		-----	-----
Retained profit/(loss) for the year	13	10,265	(42,181)
		-----	-----

All results arise from continuing activities.

No statement of total recognised gains and losses is presented as the Company has no recognised gains or losses other than the retained profit for the financial year of £10,265 (2002:£42,181 loss).

The related notes 1 to 19 form part of these accounts.


JORDANS (SCOTLAND) LIMITED

BALANCE SHEET

As at 31st March 2003

	Notes	2003 £	2002 £
Fixed Assets			
Intangible assets	7	4,047	6,071
Tangible assets	8	29,847	44,737
		<hr/>	<hr/>
		33,894	50,808
		<hr/>	<hr/>
Current Assets			
Stocks	9	-	953
Debtors	10	135,155	120,437
Cash at bank and in hand		215,186	112,910
		<hr/>	<hr/>
		350,341	234,300
		<hr/>	<hr/>
Creditors			
Amounts falling due within one year	11	(296,588)	(207,726)
		<hr/>	<hr/>
Net Current Assets		53,753	26,574
		<hr/>	<hr/>
		87,647	77,382
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	86,647	76,382
		<hr/>	<hr/>
Shareholders' Funds	14	87,647	77,382
		<hr/>	<hr/>

Approved by the Board on 25th September 2003

S R Curtis 

A S Cockburn 

Directors

The related notes 1 to 19 form part of these accounts.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

1 Accounting Policies

(a) Accounting Convention

The accounts have been prepared in accordance with all applicable UK accounting standards under the historical cost convention.

(b) Goodwill

Goodwill is the difference between the cost of an acquired entity, and the value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised on the balance sheet as an asset, and amortised on a straight-line basis through the profit and loss account over its presumed useful life of 20 years.

(c) Tangible Fixed Assets

Tangible fixed assets are shown at cost less accumulated depreciation. There has been no change in circumstances necessitating an impairment review under FRS 11.

(d) Depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible fixed assets on a straight line basis over the period of their expected useful lives. Plant and equipment is depreciated at rates ranging between 10% and 33% and the cost of leasehold premises and improvements at a rate equivalent to the unexpired term of the lease.

(e) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct labour, Materials and related overheads. Net realisable value is the estimated proceeds from the sale of items of stock, less all further costs to completion, and less all costs to be incurred in marketing, selling, and distributing directly related to the items in question.

(f) Leasing Commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred on a Straight line basis.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

(h) Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- ◆ Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- ◆ Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(h) Pension Costs

The Company operates through its parent company a defined benefit pension scheme, contributions to which are made in accordance with actuarial advice and charged to the profit and loss account so as to spread the Pension cost over the anticipated period of service of scheme members.

The Company also contributes in part through its parent company to a number of defined contribution personal pension plans held for the benefit of individual employees. Contributions are charged in the profit and loss account as they become payable.

(i) Cash Flow Statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of The West of England Trust Limited, a company that prepares a consolidated cash flow statement for The West of England Trust group.

2 Turnover

Turnover comprises amounts receivable for goods and services supplied, exclusive of value added tax. The value of goods and services exported during the year amounted to £7,378 (2002: £10,117). Of these exports £6,702 (2002: £8,054) were to Europe and £676 (2002: £2,063) were to the rest of the world.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

3 Operating Profit

	2003	2002
	£	£
Operating profit is stated after charging		
Depreciation - owned assets	20,217	27,271
Hire of plant and equipment	620	3,345
Operating lease rentals - land and buildings	67,000	67,000
Auditors' remuneration	1,000	1,000
	<hr/>	<hr/>

4 Employees

	2003	2002
	Number	Number
Average monthly number of employees		
Production	19	17
Sales and distribution	-	2
Administration	3	4
	<hr/>	<hr/>
	22	23
	<hr/>	<hr/>
Employee costs	2003	2002
	£	£
Wages and salaries	381,211	380,823
Social security costs	32,577	32,614
Pension costs	16,151	17,138
	<hr/>	<hr/>
	429,939	430,575
	<hr/>	<hr/>

The Company has 5 employees who are members of the defined benefit, contributory pension Scheme operated by The West of England Trust Limited. The scheme is valued periodically by Independent qualified actuaries (see note 17). Further details of the scheme are included in the accounts of The West of England Trust Limited.

The Company also makes contributions to a number of defined contribution personal pension plans held for the benefit of individual employees.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

5 Directors' Emoluments

	2003 £	2002 £
Aggregate emoluments	55,020	62,392

Retirement benefits are accruing for one director under a defined benefit scheme operated by The West of England Trust Limited, the Company's ultimate parent undertaking.

6 Taxation

	2003 £	2002 £
(a) Current tax:		
UK Corporation tax on profits for the period	5,720	-
Adjustments re previous periods	-	-
Tax on profit on ordinary activities (Note 6(b))	5,720	-

(b) Factors affecting tax charge for period

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £	2002 £
Profit/(loss) on ordinary activities before tax	15,985	(42,181)
Profit/(loss) on ordinary activities at standard rate of UK corporation tax 30% (2001: 30%)	4,796	(12,654)
Effects of:		
Expenses not deductible for tax purposes	83	-
Available for group relief	-	12,654
Excess depreciation over capital allowances	841	-
	5,720	-

(c) Factors that may affect future tax charges:

Based on current investment plans, the Company does not expect capital allowances to be materially in excess of depreciation in future years.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

7 Intangible Fixed Assets - Goodwill

	2003 £	2002 £
Cost at beginning and end of year	40,477	40,477
Amortisation at beginning of year	34,406	32,382
Charge for year	2,024	2,024
Amortisation at end of year	36,430	34,406
Net book value at end of year	4,047	6,071

Goodwill is being amortised on a straight-line basis over 20 years, its presumed useful life. The accumulated amortisation of £36,430 at the end of year represents the total amount of goodwill that has been written off of which £13,156 has been charged to the Company's accounts.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

8 Tangible Fixed Assets

	Improvements To Leasehold Premises £	Computer Hardware & Software £	Motor Cars £	Fixtures Fittings & Equipment £	Total £
Cost at beginning of year	22,757	139,162	28,541	95,176	285,636
Additions	530	2,142	-	2655	5,327
Disposals	-	-	(13,653)	-	(13,653)
Cost at end of year	23,287	141,304	14,888	97,831	277,310
Depreciation at beginning of year	22,669	126,828	13,653	77,749	240,899
Charge for the year	67	10,900	3,720	5,530	20,217
Disposals	-	-	(13,653)	-	(13,653)
Depreciation at end of year	22,736	137,728	3,720	83,279	247,463
Net Book Value: At end of year	551	3,576	11,168	14,552	29,847
At beginning of year	88	12,334	14,888	17,427	44,737

9 Stocks

	2003 £	2002 £
Raw materials and consumables	-	953

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

10 Debtors

	2003 £	2002 £
Trade debtors	125,177	105,041
Prepayments and accrued income	7,126	8,937
Disbursements chargeable (less payments on account)	2,852	6,459
	<hr/> 135,155	<hr/> 120,437

All debtors fall due within one year

11 Creditors - amounts falling due within one year

	2003 £	2002 £
Trade creditors	10,040	16,618
Corporation tax	5,720	-
Accruals and deferred income	143,827	157,722
Payments on account (less disbursements chargeable)	12,651	11,685
Amount due to parent and fellow subsidiary undertakings	124,350	21,701
	<hr/> 296,588	<hr/> 207,726

12 Called Up Share Capital

	2003 £	2002 £
Ordinary shares of £1 each		
Authorised	20,000	20,000
Allotted, called up and fully paid	<hr/> 1,000	<hr/> 1,000

13 Profit and Loss Account

	2003 £	2002 £
Balance at beginning of year	76,382	118,563
Retained profit/(loss) for the year	10,265	(42,181)
Balance at end of year	<hr/> 86,647	<hr/> 76,382

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

14 Shareholders' Funds

	2003 £	2002 £
Profit/(loss) attributable to shareholders	10,265	(42,181)
At beginning of year	77,382	119,563
At end of year	<u>87,647</u>	<u>77,382</u>

15 Financial Commitments

i) Operating leases

The Company has annual commitments under non-cancellable operating leases on land and buildings as follows:

	2003 £	2002 £
Lease agreements expiring Within two to five years	67,000	67,000

ii) Capital commitments

	2003 £	2002 £
Contracted but not provided for	-	1,800

16 Contingent Liabilities

The Directors are not aware of any material contingent liabilities at 31st March 2003 for which provision has not been made in these accounts.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

17 Pension Commitments

The company provides retirement and death benefits to its employees through the parent company's defined benefit and defined contribution schemes. The defined benefit scheme is funded, with the assets held by the Trustees, separately from the finances of the group. The accounting policy is to provide for pension liabilities on a systematic basis over the period of employment of scheme members, with surpluses disclosed by actuarial valuations being credited against future contributions.

The charge for pension costs accruing during the year have been calculated in accordance with SSAP 24 by an independent qualified actuary using the projected unit method, based on the last full actuarial valuation as at 31st March 2001. At that date, the total market value of the assets of the scheme was £11m and covered 100% of the liabilities for benefits in respect of service up to that date, allowing for the effect of expected future increases in earnings.

The main financial assumptions employed in the valuation were derived from market conditions prevalent as at the valuation date. It was assumed that the long-term rate of return on assets backing post-retirement liabilities would average 5% per annum. An additional return of 2% per annum was assumed on assets backing pre-retirement liabilities. The general rate of increase in members salaries would average 4% per annum.

The Jordans Limited group companies are not able to identify their share of the assets and liabilities within The West of England Trust defined benefit scheme.

A valuation of the whole scheme in accordance with FRS17 as at 31st March 2003 showed a total market value of assets of £10.3m (2002: £11.3m) and a gross scheme deficit of £2.5m (2002: £0.3m surplus).

18 Immediate and Ultimate Parent Undertakings

The immediate parent undertaking of Jordans (Scotland) Limited is Jordans Limited, a company registered in England and Wales, for which group financial statements are drawn up. The ultimate parent undertaking of Jordans Limited is The West of England Trust Limited, a company registered in England and Wales, for which group financial statements are drawn up.

Both companies are registered in England and Wales. Copies of their filed financial statements can be obtained from Oswalds on 0131 557 6966 (or via Jordans Search Department at 21 St Thomas Street, Bristol BS1 6JS, Telephone number +44 (0) 117 923 0600).

19 Related Party Transactions

As the Company is a wholly owned subsidiary undertaking of The West of England Trust Limited, a company registered in England and Wales, which prepares consolidated financial statements, the Company has taken advantage of the exemption in FRS 8 and not included details of transactions with other companies that are subsidiaries of The West of England Trust Limited. There are no other related party transactions.