

REPORT

OF

WILLIAM POWELL AND SONS LIMITED

WILLIAM POWELL AND SONS LIMITED

Report and Financial Statements

30 November 2000



**Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF24 0TS**

REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

W D Johns-Powell
J N Johns-Powell

SECRETARY

J N Johns-Powell

REGISTERED OFFICE

Sheepcourt Farm
Bonvilston
Cardiff

AUDITORS

Deloitte & Touche
Chartered Accountants

BANKERS

Lloyds Bank Plc

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 November 2000.

ACTIVITIES

The company's activities comprise the development of land and properties for resale, the making and management of investments, farming activities relating to the letting of land and the running of a golf clubhouse.

REVIEW OF DEVELOPMENTS

The results for the year are set out in the profit and loss account on page 5. The financial position of the company at the year end is shown in the balance sheet on page 6.

DIVIDENDS

The directors do not recommend the payment of a dividend (1999 - £nil).

FUTURE PROSPECTS

The directors seek to build up the recurring income base of the company by investment in and development of property.

DIRECTORS

The present membership of the Board is set out on page 1. Both directors served throughout the year.

The directors' interests, as defined by the Companies Act 1985, in the shares of the company at the beginning and end of the period were as follows:

	30/11/00 and 30/11/99 £1 ordinary shares	
	Beneficial life interest in trust	Beneficial interest held in own name
W D Johns-Powell	32,000	11,051
J N Johns-Powell	32,000	11,051

AUDITORS

A resolution to reappoint Deloitte & Touche as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

W D Johns-Powell
Director



Date 22.9.01

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS' REPORT TO THE MEMBERS OF WILLIAM POWELL AND SONS LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

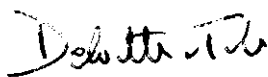
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, 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 30 November 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors

Date 28 September 2001.

PROFIT AND LOSS ACCOUNT
Year ended 30 November 2000

	Note	2000 £	1999 £
TURNOVER: continuing operations	2	400,842	301,700
Cost of sales		<u>(102,914)</u>	<u>(8,902)</u>
GROSS PROFIT		297,928	292,798
Administrative expenses		<u>(372,780)</u>	<u>(251,223)</u>
Other operating income		<u>41,141</u>	<u>4,283</u>
OPERATING LOSS: continuing operations		33,711	45,858
Other interest receivable and similar income	4	1,251	4,128
Interest payable and similar charges	5	<u>(61,115)</u>	<u>(65,880)</u>
Loss on ordinary activities before taxation	6	<u>(93,575)</u>	<u>(15,894)</u>
Tax on loss on ordinary activities	7	<u>22,459</u>	<u>(5,153)</u>
Retained loss for the financial year	19	<u><u>(71,116)</u></u>	<u><u>(21,047)</u></u>

There are no recognised gains or losses in the current and preceding year other than the (loss)/profit for the financial year.

BALANCE SHEET
30 November 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	8	3,537,523		3,534,622	
Investment properties	9	1,332,664		1,373,069	
Other investments	10	<u>2</u>		<u>2</u>	
			4,870,189		4,907,693
CURRENT ASSETS					
Stocks	11	96,602		76,694	
Debtors	12	54,876		117,955	
Cash at bank and in hand		<u>57,346</u>		<u>16,904</u>	
		208,824		211,553	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	13	<u>419,380</u>		<u>345,812</u>	
NET CURRENT LIABILITIES			(210,556)		(134,259)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,659,633		4,773,434
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	14		(798,909)		(819,135)
PROVISIONS FOR LIABILITIES AND CHARGES					
	15		(71,376)		(87,835)
			<u>3,789,348</u>		<u>3,866,464</u>
CAPITAL AND RESERVES					
Called up share capital	17		91,102		91,102
Revaluation reserve	19		1,500,700		1,545,791
Capital redemption reserve	19		19,000		19,000
Profit and loss account	19		<u>2,178,546</u>		<u>2,210,571</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>3,789,348</u>		<u>3,866,464</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

28.9.01

W D Johns-Powell
Director



NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 30 November 2000

	2000 £	1999 £
Loss on ordinary activities before taxation	(93,575)	(15,894)
Realisation of property valuation gains of prior year	<u>39,091</u>	<u>-</u>
Historical cost loss on ordinary activities before taxation	<u>(54,484)</u>	<u>(15,894)</u>
Historical cost loss for the year retained after taxation	<u>(32,025)</u>	<u>(21,047)</u>

NOTES TO THE ACCOUNTS**Year ended 30 November 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment and freehold property.

(b) Tangible fixed assets**Freehold property**

Depreciation is not provided on freehold land and buildings as the expected residual value is not less than the cost shown in the accounts.

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties; this constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic lives and is necessary to enable the financial statement to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Equipment, fixtures and fittings

Small items of equipment are charged to the profit and loss account. Other additions are capitalised and depreciated at 20% pa which is designed to write off their cost over their expected useful lives. A full year's depreciation is charged in the year of acquisition and none in the year of sale.

Plant, machinery and motor vehicles

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Motor vehicles	- 20% on cost

(c) Investments

Investment in property is stated at directors' valuation. Other investments are stated at cost less provision for any impairment.

(d) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

(e) Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate overheads to the development of freehold land for resale.

(f) Group accounts

The company is taking advantage of Section 248 of the Companies Act 1985 which permits an exemption from the requirement to prepare group accounts. These accounts therefore include information relating to the parent company only.

NOTES TO THE ACCOUNTS

Year ended 30 November 2000

1. ACCOUNTING POLICIES (continued)

(g) Grants

Grants received in respect of capital items are deferred and credited to the profit and loss account over the term of ten years.

2. TURNOVER

Turnover represents income from freehold properties and ground rents and income from fixed asset investments.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Directors' emoluments	10,537	21,316
Employee costs during the year (excluding directors):		
Wages and salaries	94,936	5,597
Social security costs	6,046	301
	100,982	5,898
	No.	No.
Average number of persons employed (including directors)		
Administration	1	3

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Bank interest	1,251	4,128

NOTES TO THE ACCOUNTS

Year ended 30 November 2000

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Bank loans, overdrafts and other loans repayable within five years	1,679	736
Bank loans repayable after five years	12,186	12,824
Loan stock interest	47,250	47,250
Hire purchase interest	-	385
Other loan interest	-	4,685
	<u>61,115</u>	<u>65,880</u>

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
Loss on ordinary activities before taxation is after charging:		
Depreciation - owned assets	109,398	113,155
Auditors' remuneration	2,900	2,650
Loss on sale of fixed asset investment	300	3,447
	<u>112,600</u>	<u>119,252</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2000 £	1999 £
Corporation tax charge for the year at 20% (1999 - 21%)	-	-
Deferred tax	(22,459)	681
Under provision in respect of prior year	-	4,472
	<u>(22,459)</u>	<u>5,153</u>

NOTES TO THE ACCOUNTS
Year ended 30 November 2000

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Equipment, fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 December 1999	3,272,467	346,876	286,370	11,200	3,916,913
Additions	90,526	17,908	3,865	4,200	116,499
Disposals	-	-	-	(4,200)	(4,200)
At 30 November 2000	3,362,993	364,784	290,235	11,200	4,029,212
At cost	2,311,684	364,784	290,235	11,200	2,977,903
At valuation	1,051,309	-	-	-	1,051,309
	3,362,993	364,784	290,235	11,200	4,029,212
Accumulated depreciation					
At 1 December 1999	-	208,586	162,506	11,199	382,291
Provisions	-	64,231	45,167	-	109,398
At 30 November 2000	-	272,817	207,673	11,199	491,689
Net book value					
At 30 November 2000	3,362,993	91,967	82,562	1	3,537,523
At 30 November 1999	3,272,467	138,290	123,864	1	3,534,622

Net book value of fixed assets includes £nil (1999 - £37,253) in respect of assets held under hire purchase agreements.

Comparable amounts determined according to the historical cost convention in respect of land and buildings:

	£
Cost/net book value	
At 30 November 2000	2,311,684
At 30 November 1999	2,208,201

NOTES TO THE ACCOUNTS
Year ended 30 November 2000

9. INVESTMENT PROPERTIES

Freehold properties:	£
Valuation	
At 1 December 1999	1,373,069
Disposals	(40,405)
At 30 November 2000	1,332,664
Farm land and buildings	682,664
Commercial buildings	650,000
	1,332,664
Comparable amounts determined according to the historical cost convention:	
Cost/net book value	
At 30 November 2000	813,274
At 30 November 1999	814,588

The directors have valued all properties at their estimate of open market value at 30 November 2000.

10. OTHER INVESTMENTS HELD AS FIXED ASSETS

	2000 £	1999 £
Shares in subsidiary company – at 1 December 1999 and 30 November 2000	2	2

11. STOCKS

	2000 £	1999 £
Stock for resale	96,602	76,694

NOTES TO THE ACCOUNTS
Year ended 30 November 2000

12. DEBTORS

	2000 £	1999 £
Rents receivable	41,537	5,139
Prepayments and accrued income	-	4,095
Other debtors	5,193	105,134
VAT recoverable	8,146	3,587
	<u>54,876</u>	<u>117,955</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Corporation, advance corporation and income tax payable	-	4,472
Other creditors and accruals	82,389	51,168
Rental income received in advance	4,982	4,936
Loan stock interest	308,100	260,850
Bank loan	17,000	17,000
Deferred income	2,462	2,462
Amounts owed to subsidiary undertaking	2,355	2,355
Director's loan account	2,092	2,569
	<u>419,380</u>	<u>345,812</u>

Hire purchase obligations are secured on the assets to which they relate.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Loan stock	675,000	675,000
Bank loan	114,058	131,822
Deferred income	9,851	12,313
	<u>798,909</u>	<u>819,135</u>

The loan stock is repayable in 2018. It is redeemable at the option of the company at three yearly intervals. Interest is borne at 7% per annum.

NOTES TO THE ACCOUNTS
Year ended 30 November 2000

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Balance at 1 December 1999 £	Credited to profit and loss account £	Transferred from revaluation reserve £	Balance at 30 November 2000 £
Deferred taxation	87,835	(22,459)	6,000	71,376

The amounts of deferred taxation provided and unprovided in the financial statements are:

	Provided 2000 £	1999 £	Unprovided 2000 £	1999 £
Capital allowances in excess of depreciation	74,056	76,370	-	-
Surplus on revaluation	70,000	64,000	138,000	138,000
Other timing differences	(72,680)	(52,535)	-	-
	71,376	87,835	138,000	138,000

16. BORROWINGS

	2000 £	1999 £
Analysis of loan repayments:		
Bank loans and overdrafts		
Within one year or on demand	17,000	17,000
Between one and two years	17,000	17,000
Between two and five years	51,000	51,000
After five years	46,057	63,822
	131,057	148,822
Other loans		
After five years	675,000	675,000

The bank overdraft and loan are secured by a fixed and floating charge over the assets of the company.

The bank loan is repayable in equal annual instalments up to the year 2008.

The interest rate is 2.5% above base rate.

NOTES TO THE ACCOUNTS
Year ended 30 November 2000

17. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised:		
125,000 ordinary shares of £1 each	125,000	125,000
Allotted and fully paid:		
91,102 ordinary shares of £1	91,102	91,102

18. ADDITIONAL INFORMATION ON SUBSIDIARY

	Country of incorporation/ registration and operation	Activity	Proportion of ordinary shares held
Subsidiary			
Earlcourt Properties Limited	Wales	Dormant	100%
The subsidiary company had net assets of £2,357 as at 30 November 2000 (1999 - net assets of £2,357).			

19. STATEMENT OF MOVEMENT ON RESERVES

	Capital redemption reserve (non- distributable) £	Revaluation reserve (non- distributable) £	Profit and loss account (distributable) £
Balance at 1 December 1999	19,000	1,545,791	2,210,571
Loss for the year	-	-	(71,116)
Disposals	-	(39,091)	39,091
Transfer of deferred tax	-	(6,000)	-
Balance at 30 November 2000	19,000	1,500,700	2,178,546

NOTES TO THE ACCOUNTS

Year ended 30 November 2000

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss)/profit attributable to the members of the company	(71,116)	(21,047)
Transfer from deferred tax	(6,000)	(22,000)
Opening shareholders' funds	3,866,464	3,909,511
	<u>3,789,348</u>	<u>3,866,464</u>

21. RELATED PARTY TRANSACTIONS

During the year the company received rental income of £65,000 (1999 - £130,000) from Cottrell Park Golf Club Limited, a company with common directors.

A balance of £2,355 was owed by the company to Earlcourt Properties Limited at the year end (1999 - £2,355). Earlcourt Properties Limited is a wholly owned subsidiary of the company.

A balance of £11 due from Cottrell Park Golf Club Limited remained outstanding at the year end.