

**REGISTRAR
OF COMPANIES**

WILLIAM POWELL AND SONS LIMITED

Report and Financial Statements

30 November 2001

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



REPORT AND FINANCIAL STATEMENTS 2001

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REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

W D Johns-Powell
J N Johns-Powell

SECRETARY

J N Johns-Powell

REGISTERED OFFICE

Sheepcourt Farm
Bonvilston
Cardiff
CF5 6TR

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 2001.

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 (2000 - £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:

	30/11/01 and 30/11/00 £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: 22.7.02

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of William Powell and Sons Limited for the year ended 30 November 2001 which comprise the profit and loss account, the balance sheet, the note of historical cost profits and losses, the statement of total recognised gains and losses and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

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 United Kingdom legal and regulatory requirements and 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 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 the other information contained in the annual report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2001 and of its profit 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 26 July 2002

PROFIT AND LOSS ACCOUNT
Year ended 30 November 2001

	Note	2001 £	2000 £
TURNOVER: continuing operations	2	572,229	400,842
Cost of sales		<u>(173,904)</u>	<u>(102,914)</u>
GROSS PROFIT		398,325	297,928
Administrative expenses		(449,368)	(372,780)
Other operating income		<u>7,248</u>	<u>(1,730)</u>
OPERATING LOSS: continuing operations		(43,795)	(76,582)
Profit on sale of investment properties		208,034	42,871
Other interest receivable and similar income	4	670	1,251
Interest payable and similar charges	5	<u>(58,745)</u>	<u>(61,115)</u>
Profit/(loss) on ordinary activities before taxation	6	106,164	(93,575)
Tax on profit/(loss) on ordinary activities	7	<u>24,755</u>	<u>22,459</u>
Retained profit/(loss) for the financial year	18	<u><u>81,409</u></u>	<u><u>(71,116)</u></u>

BALANCE SHEET
30 November 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	8	4,125,652		3,537,523	
Investment properties	9	1,402,664		1,332,664	
Other investments	10	-		2	
			5,528,316		4,870,189
CURRENT ASSETS					
Stocks	11	7,983		96,602	
Debtors	12	545,673		54,876	
Cash at bank and in hand		81,539		57,346	
		635,195		208,824	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(806,910)		(419,380)	
NET CURRENT LIABILITIES			(171,715)		(210,556)
TOTAL ASSETS LESS CURRENT LIABILITIES			5,356,601		4,659,633
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14		(1,007,061)		(798,909)
PROVISIONS FOR LIABILITIES AND CHARGES	15		(53,783)		(71,376)
			4,295,757		3,789,348
CAPITAL AND RESERVES					
Called up share capital	17		91,102		91,102
Revaluation reserve	18		1,696,747		1,500,700
Capital redemption reserve	18		19,000		19,000
Profit and loss account	18		2,488,908		2,178,546
TOTAL EQUITY SHAREHOLDERS' FUNDS			4,295,757		3,789,348

These financial statements were approved by the Board of Directors on 22 July 2002.
Signed on behalf of the Board of Directors

W D Johns-Powell
Director



NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 30 November 2001

	2001 £	2000 £
Profit/(loss) on ordinary activities before taxation	106,164	(93,575)
Realisation of property valuation gains of prior years	228,953	39,091
Historical cost profit/(loss) on ordinary activities before taxation	<u>335,117</u>	<u>(54,484)</u>
Historical cost profit/(loss) for the year retained after taxation	<u>310,362</u>	<u>(32,025)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 30 November 2001

	2001 £	2000 £
Profit/(loss) for the financial year	81,409	(71,116)
Revaluation in year	390,000	-
Deferred tax movement on revaluation	35,000	-
Total recognised gains and losses for the year	<u>506,409</u>	<u>(71,116)</u>

NOTES TO THE ACCOUNTS
Year ended 30 November 2001**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 but in accordance with Financial Reporting Standard Number 15 the directors carry out an annual impairment review.

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) Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease rentals in proportion to the capital element outstanding.

(d) Investments

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

(e) 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.

(f) 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.

NOTES TO THE ACCOUNTS
Year ended 30 November 2001**1. ACCOUNTING POLICIES (continued)****(g) 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.

(h) 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

	2001 £	2000 £
Directors' emoluments	13,071	10,537
Employee costs during the year (excluding directors):		
Wages and salaries	152,574	94,936
Social security costs	9,252	6,046
	<u>161,826</u>	<u>100,982</u>
Average number of persons employed (including directors)		
Administration	1	1
Clubhouse staff	25	25
	<u>26</u>	<u>26</u>

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £	2000 £
Bank interest	670	1,251

NOTES TO THE ACCOUNTS**Year ended 30 November 2001****5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2001 £	2000 £
Bank loans, overdrafts and other loans		
repayable within five years	2,267	1,679
Bank loans repayable after five years	9,125	12,186
Loan stock interest	47,250	47,250
Hire purchase interest	103	-
	<u>58,745</u>	<u>61,115</u>

6. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £	2000 £
Profit/(loss) on ordinary activities before taxation is after charging:		
Depreciation – owned assets	109,779	109,398
- leased assets	119	-
Auditors' remuneration	3,750	2,900
Management charge	35,000	-
Loss on sale of fixed asset investment	-	300
	<u> </u>	<u> </u>

7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation tax charge for the year at 20% (2000 - 20%)	7,348	-
Deferred tax	17,407	(22,459)
	<u>24,755</u>	<u>(22,459)</u>

NOTES TO THE ACCOUNTS
Year ended 30 November 2001

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Equipment, fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 December 2000	3,362,993	364,784	290,235	11,200	4,029,212
Additions	553,682	16,665	85,485	2,195	658,027
Transfer from investment properties	40,000	-	-	-	40,000
At 30 November 2001	3,956,675	381,449	375,720	13,395	4,727,239
At cost	2,865,366	381,449	375,720	13,395	3,635,930
At valuation	1,091,309	-	-	-	1,091,309
	3,956,675	381,449	375,720	13,395	4,727,239
Accumulated depreciation					
At 1 December 2000	-	272,817	207,673	11,199	491,689
Provisions	-	58,696	50,763	439	109,898
At 30 November 2001	-	331,513	258,436	11,638	601,587
Net book value					
At 30 November 2001	3,956,675	49,936	117,284	1,757	4,125,652
At 30 November 2000	3,362,993	91,967	82,562	1	3,537,523

The net book value of plant and machinery includes £26,096 (2000 – fnil) in respect of assets held under hire purchase contracts.

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

	£
Cost/net book value	
At 30 November 2001	2,871,904
At 30 November 2000	2,311,684

NOTES TO THE ACCOUNTS
Year ended 30 November 2001

9. INVESTMENT PROPERTIES

Freehold properties:	£
Valuation	
At 1 December 2000	1,332,664
Disposals	(280,000)
Revaluation in year	390,000
Transfer to fixed assets	(40,000)
At 30 November 2001	1,402,664
Farm land and buildings	452,664
Commercial buildings	950,000
	1,402,664
Comparable amounts determined according to the historical cost convention:	
Cost/net book value	
At 30 November 2001	755,688
At 30 November 2000	813,274

The directors have valued all properties at their estimate of open market value at 30 November 2001.

10. OTHER INVESTMENTS HELD AS FIXED ASSETS

	2001 £	2000 £
Shares in subsidiary company	-	2

Earlcourt Properties Limited was a wholly owned subsidiary of the company until it was wound up during the current financial year. The company did not trade in either the current or prior year.

11. STOCKS

	2001 £	2000 £
Stock for resale	7,983	96,602

NOTES TO THE ACCOUNTS
Year ended 30 November 2001

12. DEBTORS

	2001 £	2000 £
Rents receivable	42,903	41,537
Other debtors	107,603	5,193
VAT recoverable	6,956	8,146
Director's loan accounts	388,211	-
	<u>545,673</u>	<u>54,876</u>

The director's loan account comprises amounts drawn by a director during the year. The loan is interest free and there are no fixed repayment terms. The maximum amount outstanding during the year was £388,211 (2000 - £nil).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Other creditors and accruals	196,335	82,389
Rental income received in advance	6,415	4,982
Loan stock interest	355,350	308,100
Bank loan	35,000	17,000
Deferred income	2,462	2,462
Amounts owed to subsidiary undertaking	-	2,355
Amounts owed to related company (see note 20)	20,000	-
Director's loan account	170,516	2,092
Obligations under hire purchase contracts	13,484	-
Corporation tax	7,348	-
	<u>806,910</u>	<u>419,380</u>

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

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

	2001 £	2000 £
Loan stock	675,000	675,000
Bank loan	315,000	114,058
Deferred income	7,389	9,851
Obligations under hire purchase contracts	9,672	-
	<u>1,007,061</u>	<u>798,909</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 2001

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Balance at 1 December 2000 £	Charged to profit and loss account £	Transferred to revaluation reserve £	Balance at 30 November 2001 £
Deferred taxation	71,376	17,407	(35,000)	53,783

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

	Provided 2001 £	2000 £	Unprovided 2001 £	2000 £
Capital allowances in excess of depreciation	18,783	74,056	-	-
Surplus on revaluation	35,000	70,000	123,000	138,000
Other timing differences	-	(72,680)	-	-
	53,783	71,376	138,000	138,000

16. BORROWINGS

	2001 £	2000 £
Analysis of loan repayments:		
Bank loans:		
Within one year or on demand	35,000	17,000
Between one and two years	35,000	17,000
Between two and five years	105,000	51,000
After five years	175,000	46,058
	350,000	131,058
Other loans		
After five years	675,000	675,000
Hire purchase contracts:		
Within one year	13,484	-
Between two and five years	9,672	-
	23,156	-

The bank loan is 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 2011.

The interest rate is 2.5% above base rate.

NOTES TO THE ACCOUNTS
Year ended 30 November 2001

17. CALLED UP SHARE CAPITAL

	2001 £	2000 £
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. STATEMENT OF MOVEMENT ON RESERVES

	Capital redemption reserve (non- distributable) £	Revaluation reserve (non- distributable) £	Profit and loss account (distributable) £
Balance at 1 December 2000	19,000	1,500,700	2,178,546
Profit for the year	-	-	81,409
Transfer of realised revaluation reserve	-	(228,953)	228,953
Revaluation in year	-	390,000	-
Release of deferred tax	-	35,000	-
Balance at 30 November 2001	19,000	1,696,747	2,488,908

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit/(loss) attributable to the members of the company	81,409	(71,116)
Transfer from deferred tax	35,000	(6,000)
Revaluation in year	390,000	-
Opening shareholders' funds	3,789,348	3,866,464
	4,295,757	3,789,348

20. RELATED PARTY TRANSACTIONS

During the year the company received rental income of £50,000 (2000 - £65,000) from Cottrell Park Golf Club Limited, a company with common directors. Additionally the company purchased a fixed asset from Cottrell Park Golf Club Limited for £34,000 (2000 - £nil), made a management charge of £35,000 (2000 - £nil) and a loan was granted to Cottrell Park Golf Club Limited of £30,000 (2000 - £nil). This loan is interest free and there are no fixed repayment terms. At 30 November 2001 £20,000 (2000 - £2,355) was owed by the company to Cottrell Park Golf Club Limited.