

B H DAVIES (REAL ESTATE) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2000



B H DAVIES (REAL ESTATE) LIMITED

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FOR THE YEAR ENDED 30 NOVEMBER 2000**

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B H DAVIES (REAL ESTATE) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2000

DIRECTORS: B H Davies Esq
G J Robinson Esq
Mrs E A Roberts
C P Davies Esq
Mrs D A Davies

SECRETARY: Mrs E A Roberts

REGISTERED OFFICE: 4 Mostyn Street
Llandudno
NORTH WALES
LL30 2PS

REGISTERED NUMBER: 01226421 (England and Wales)

AUDITORS: Thorndike, Tiernay & Co
Chartered Accountants
and Registered Auditors
19 Trinity Square
Llandudno
NORTH WALES
LL30 2RD

BANKERS: HSBC Bank plc
60 Mostyn Street
Llandudno
NORTH WALES
LL30 2SF

B H DAVIES (REAL ESTATE) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2000**

The directors present their report with the financial statements of the company for the year ended 30 November 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of estate agents, auctioneers and valuers.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2000.

DIRECTORS

The directors during the year under review were:

B H Davies Esq
G J Robinson Esq
Mrs E A Roberts
C P Davies Esq
Mrs D A Davies

The beneficial interests of the directors holding office on 30 November 2000 in the issued share capital of the company were as follows:

	30.11.00	1.12.99
Ordinary £1 shares		
B H Davies Esq	9,000	9,000
G J Robinson Esq	1,000	1,000
Mrs E A Roberts	-	-
C P Davies Esq	-	-
Mrs D A Davies	-	-

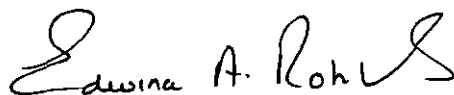
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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.

ON BEHALF OF THE BOARD:



Mrs E A Roberts - SECRETARY

Dated: 9 June 2001

B H DAVIES (REAL ESTATE) LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
B H DAVIES (REAL ESTATE) LIMITED**

We have audited the financial statements on pages four to sixteen which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

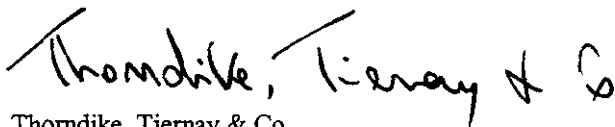
Basis of opinion

We conducted our audit in accordance with 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Thorndike, Tiernay & Co
Chartered Accountants
and Registered Auditors
19 Trinity Square
Llandudno
NORTH WALES
LL30 2RD

Dated: 12 June 2001

B H DAVIES (REAL ESTATE) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2000**

		<u>2000</u>	<u>1999</u>
	Notes	£	£
TURNOVER		446,609	445,536
Cost of sales		<u>118,840</u>	<u>109,039</u>
GROSS PROFIT		327,769	336,497
Administrative expenses		<u>309,385</u>	<u>289,150</u>
		18,384	47,347
Other operating income		<u>8,292</u>	<u>8,165</u>
OPERATING PROFIT	3	26,676	55,512
Interest receivable and similar income		<u>5,092</u>	<u>2,969</u>
		31,768	58,481
Interest payable and similar charges	4	<u>1,856</u>	<u>1,797</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,912	56,684
Tax on profit on ordinary activities	5	<u>4,131</u>	<u>12,398</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	14	<u><u>25,781</u></u>	<u><u>44,286</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

The notes form part of these financial statements

B H DAVIES (REAL ESTATE) LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 NOVEMBER 2000**

	<u>2000</u>	<u>1999</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	25,781	44,286
Surplus on revaluation of investment property	<u>-</u>	<u>1,500</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>£25,781</u></u>	<u><u>£45,786</u></u>

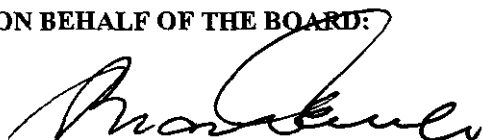
The notes form part of these financial statements

B H DAVIES (REAL ESTATE) LIMITED

**BALANCE SHEET
30 NOVEMBER 2000**

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		91,049		90,209
CURRENT ASSETS:					
Debtors	7	24,212		22,814	
Cash at bank and in hand		<u>235,653</u>		<u>213,682</u>	
		259,865		236,496	
CREDITORS: Amounts falling due within one year	8	<u>111,862</u>		<u>109,597</u>	
NET CURRENT ASSETS:			<u>148,003</u>		<u>126,899</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			239,052		217,108
CREDITORS: Amounts falling due after more than one year	9		<u>11,454</u>		<u>15,291</u>
			<u>£227,598</u>		<u>£201,817</u>
CAPITAL AND RESERVES:					
Called up share capital	13		10,000		10,000
Revaluation reserve	14		24,281		24,281
Profit and loss account	14		<u>193,317</u>		<u>167,536</u>
SHAREHOLDERS' FUNDS:	16		<u>£227,598</u>		<u>£201,817</u>

ON BEHALF OF THE BOARD:



B H Davies Esq - DIRECTOR



G J Robinson Esq - DIRECTOR

Approved by the Board on 9 June 2001

The notes form part of these financial statements

B H DAVIES (REAL ESTATE) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2000**

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		54,047		99,700
Returns on investments and servicing of finance	2		3,236		1,172
Taxation			(13,452)		(11,550)
Capital expenditure	2		<u>(18,084)</u>		<u>(18,570)</u>
			25,747		70,752
Financing	2		<u>(3,776)</u>		<u>(3,742)</u>
Increase in cash in the period			<u><u>£21,971</u></u>		<u><u>£67,010</u></u>
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		21,971		67,010	
Cash outflow from decrease in debt and lease financing			<u>3,776</u>		<u>3,835</u>
Change in net funds resulting from cash flows			<u>25,747</u>		<u>70,845</u>
Movement in net funds in the period			25,747		70,845
Net funds at 1 December			<u>194,891</u>		<u>124,046</u>
Net funds at 30 November			<u><u>£220,638</u></u>		<u><u>£194,891</u></u>

The notes form part of these financial statements

B H DAVIES (REAL ESTATE) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2000**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	26,676	55,512
Depreciation charges	17,244	14,146
Loss on sale of fixed assets	-	9,734
Increase in debtors	(1,398)	(7,294)
Increase in creditors	<u>11,525</u>	<u>27,602</u>
Net cash inflow from operating activities	<u>54,047</u>	<u>99,700</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	5,092	2,969
Interest paid	(1,200)	(1,141)
Interest element of hire purchase payments	<u>(656)</u>	<u>(656)</u>
Net cash inflow for returns on investments and servicing of finance	<u>3,236</u>	<u>1,172</u>
Capital expenditure		
Purchase of tangible fixed assets	(18,084)	(29,421)
Sale of tangible fixed assets	<u>-</u>	<u>10,851</u>
Net cash outflow for capital expenditure	<u>(18,084)</u>	<u>(18,570)</u>
Financing		
Loan repayments in year	(780)	(839)
Hire purchase loan repayments	(2,996)	(2,996)
Amount introduced by directors	<u>-</u>	<u>93</u>
Net cash outflow from financing	<u>(3,776)</u>	<u>(3,742)</u>

The notes form part of these financial statements

B H DAVIES (REAL ESTATE) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2000**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.99 £	Cash flow £	At 30.11.00 £
Net cash:			
Cash at bank and in hand	<u>213,682</u>	<u>21,971</u>	<u>235,653</u>
	<u>213,682</u>	<u>21,971</u>	<u>235,653</u>
Debt:			
Hire purchase	(5,757)	2,996	(2,761)
Mortgage loan	<u>(13,034)</u>	<u>780</u>	<u>(12,254)</u>
	<u>(18,791)</u>	<u>3,776</u>	<u>(15,015)</u>
Total	<u>194,891</u>	<u>25,747</u>	<u>220,638</u>

Analysed in Balance Sheet

Cash at bank and in hand	213,682	235,653
Hire purchase		
within one year	(3,000)	(2,761)
after one year	(2,757)	-
Mortgage loan		
within one year	(500)	(800)
after one year	<u>(12,534)</u>	<u>(11,454)</u>
	<u>194,891</u>	<u>220,638</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable Accounting Standards.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	- The period of the lease
Fixtures and fittings	- 10% on reducing balance and 40% on reducing balance
Motor vehicles	- 25% on reducing balance

In accordance with SSAP 19, the investment property is revalued annually and the surplus or deficit is transferred to the investment property revaluation reserve. No depreciation is provided in respect of this property.

The Companies Act 1985 requires all fixed assets to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because this property is not held for consumption, but for investment potential, to depreciate it would not give a true and fair view, and that it is necessary to adopt SSAP 19 accordingly.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown, cannot be separately identified or quantified.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

B H DAVIES (REAL ESTATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2000**

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	217,979	200,342
Social security costs	20,633	19,039
Other pension costs	<u>6,242</u>	<u>6,242</u>
	<u><u>244,854</u></u>	<u><u>225,623</u></u>

The average monthly number of employees during the year was as follows:

	2000	1999
Selling	5	5
Administration	<u>9</u>	<u>9</u>
	<u><u>14</u></u>	<u><u>14</u></u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Depreciation - owned assets	15,121	11,314
Depreciation - assets on hire purchase contracts	2,123	2,832
Loss on disposal of fixed assets	-	9,734
Auditors' remuneration - audit fees	1,850	1,800
Operating leases - land & buildings	23,800	23,393
Operating leases - other	<u>4,480</u>	<u>3,558</u>
Directors' emoluments	124,600	113,526
Directors' pension contributions to money purchase schemes	<u>5,242</u>	<u>5,242</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Mortgage interest	1,200	1,141
Hire purchase interest	<u>656</u>	<u>656</u>
	<u><u>1,856</u></u>	<u><u>1,797</u></u>

B H DAVIES (REAL ESTATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2000**

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	3,996	13,317
Under/(over) provision in earlier years	<u>135</u>	<u>(919)</u>
	<u><u>4,131</u></u>	<u><u>12,398</u></u>

UK corporation tax has been charged at 17.93% (1999 - 20.33%).

6. TANGIBLE FIXED ASSETS

	<u>Investment property</u>	<u>Leasehold improvements</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£	£	£
COST OR VALUATION:					
At 1 December 1999	36,500	22,048	28,745	55,544	142,837
Additions	<u>-</u>	<u>-</u>	<u>18,084</u>	<u>-</u>	<u>18,084</u>
At 30 November 2000	<u>36,500</u>	<u>22,048</u>	<u>46,829</u>	<u>55,544</u>	<u>160,921</u>
DEPRECIATION:					
At 1 December 1999	-	22,048	13,384	17,196	52,628
Charge for year	<u>-</u>	<u>-</u>	<u>7,660</u>	<u>9,584</u>	<u>17,244</u>
At 30 November 2000	<u>-</u>	<u>22,048</u>	<u>21,044</u>	<u>26,780</u>	<u>69,872</u>
NET BOOK VALUE:					
At 30 November 2000	<u>36,500</u>	<u>-</u>	<u>25,785</u>	<u>28,764</u>	<u>91,049</u>
At 30 November 1999	<u>36,500</u>	<u>-</u>	<u>15,361</u>	<u>38,348</u>	<u>90,209</u>

The investment property was revalued during the year by the directors on the basis of open market value.

Cost or valuation at 30 November 2000 is represented by:

	<u>Investment property</u>	<u>Leasehold improvements</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£	£	£
Valuation in 2000	36,500	-	-	-	36,500
Cost	<u>-</u>	<u>22,048</u>	<u>46,829</u>	<u>55,544</u>	<u>124,421</u>
	<u>36,500</u>	<u>22,048</u>	<u>46,829</u>	<u>55,544</u>	<u>160,921</u>

B H DAVIES (REAL ESTATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2000**

6. TANGIBLE FIXED ASSETS - continued

If the freehold property had not been revalued it would have been included at the following historical cost:

	2000	1999
	£	£
Cost	<u>12,219</u>	<u>12,219</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<u>Motor vehicles</u>
	£
COST:	
At 1 December 1999	
and 30 November 2000	<u>15,600</u>
DEPRECIATION:	
At 1 December 1999	7,108
Charge for year	<u>2,123</u>
At 30 November 2000	<u>9,231</u>
NET BOOK VALUE:	
At 30 November 2000	<u>6,369</u>
At 30 November 1999	<u>8,492</u>

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Trade debtors	20,222	18,501
Other debtors	950	719
Prepayments	<u>3,040</u>	<u>3,594</u>
	<u>24,212</u>	<u>22,814</u>

B H DAVIES (REAL ESTATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2000**

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Mortgage loan (see note 10)	800	500
Hire purchase contracts (see note 11)	2,761	3,000
Trade creditors	4,774	5,088
Other creditors	74,593	59,574
Social security & other taxes	20,258	23,092
Taxation	3,996	13,317
Accruals	<u>4,680</u>	<u>5,026</u>
	<u>111,862</u>	<u>109,597</u>

**9. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Mortgage loan (see note 10)	11,454	12,534
Hire purchase contracts (see note 11)	<u>-</u>	<u>2,757</u>
	<u>11,454</u>	<u>15,291</u>

10. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Mortgage loan	<u>800</u>	<u>500</u>
Amounts falling due between one and two years:		
Mortgage loan	<u>800</u>	<u>500</u>
Amounts falling due between two and five years:		
Mortgage loan	<u>2,500</u>	<u>1,600</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Mortgage loan	<u>8,154</u>	<u>10,434</u>

The interest rate on the mortgage loan was 8.74% at 30 November 2000.

B H DAVIES (REAL ESTATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2000**

11. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2000	1999
	£	£
Gross obligations repayable:		
Within one year	3,348	3,652
Between one and five years	<u>-</u>	<u>3,348</u>
	<u>3,348</u>	<u>7,000</u>
Finance charges repayable:		
Within one year	587	652
Between one and five years	<u>-</u>	<u>591</u>
	<u>587</u>	<u>1,243</u>
Net obligations repayable:		
Within one year	2,761	3,000
Between one and five years	<u>-</u>	<u>2,757</u>
	<u>2,761</u>	<u>5,757</u>

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Expiring:				
Between one and five years	23,800	23,800	4,480	4,044
In more than five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>436</u>
	<u>23,800</u>	<u>23,800</u>	<u>4,480</u>	<u>4,480</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	2000	1999
	£	£
Mortgage loan (secured on the investment property)	12,254	13,034
Hire purchase contracts	<u>2,761</u>	<u>5,757</u>
	<u>15,015</u>	<u>18,791</u>

B H DAVIES (REAL ESTATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2000**

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000 £	1999 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

14. RESERVES

	Investment property revaluation reserve £	Profit and loss account £
As at 1 December 1999	24,281	167,536
Retained profit for the year	<u>-</u>	<u>25,781</u>
As at 30 November 2000	<u>24,281</u>	<u>193,317</u>

15. RELATED PARTY DISCLOSURES

Messrs B H, C P and S P Davies and Mrs D A Davies own a property in Rhos-on-Sea which is leased to the company. A rent of £6,000 was paid in the year ended 30 November 2000.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	25,781	44,286
Other recognised gains and losses relating to the year (net)	<u>-</u>	<u>1,500</u>
Net addition to shareholders' funds	25,781	45,786
Opening shareholders' funds	<u>201,817</u>	<u>156,031</u>
Closing shareholders' funds	<u>227,598</u>	<u>201,817</u>
 Equity interests	 <u>227,598</u>	 <u>201,817</u>

17. CONTROLLING INTEREST

B H Davies Esq owns 90% of the allotted share capital.