Company Registration No. 986674 (England and Wales)

# JANSWEAR DEVELOPMENTS LIMITED

# DIRECTORS' REPORT AND FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 DECEMBER 1999




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# JANSWEAR DEVELOPMENTS LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | G H Ward<br>Mrs R Ward |
| **Secretary** | Mrs M Woolley |
| **Company number** | 986674 |
| **Registered office** | Edinburgh House<br>43-51 Windsor Road<br>Slough<br>Berkshire SL1 2HL |
| **Auditors** | Morley & Scott<br>Edinburgh House<br>43-51 Windsor Road<br>Slough<br>Berkshire<br>SL1 2HL |
| **Business address** | Westacott Farm<br>East Buckland<br>Barnstaple<br>Devon<br>EX32 0TA |
| **Bankers** | H S B C Bank plc<br>10 High Street<br>Barnstable<br>Devon<br>EX31 1BQ |
| **Registrars** | Morley & Scott Corporate Services<br>12 Southgate Street<br>Winchester<br>Hampshire<br>S023 9EE |

# JANSWEAR DEVELOPMENTS LIMITED

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# JANSWEAR DEVELOPMENTS LIMITED

## DIRECTORS' REPORT
## *FOR THE YEAR ENDED 31 DECEMBER 1999*

The directors present their report and financial statements for the year ended 31 December 1999.

**Principal activities**
The principal activity of the company is that of property development and investment.

**Directors**
The following directors have held office since 1 January 1999:

G H Ward
Mrs R Ward

**Directors' interests**
The directors' beneficial interests in the shares of the company were as stated below:

| | Ordinary shares of £ 1 each | |
|---|---|---|
| | 31 December 1999 | 1 January 1999 |
| G H Ward | 2 | 2 |
| Mrs R Ward | 1 | 1 |

**Year 2000 compliance**
The company has no systems which could cause a significant impact on the business if they were to fail. Accordingly, the directors have assessed there to be no risks to the company associated with the year 2000.

**Auditors**
The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Morley & Scott, will be deemed to be reappointed for each succeeding financial year.

**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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

.....

Mrs M Woolley
**Secretary**
21 June 2000

# JANSWEAR DEVELOPMENTS LIMITED

## AUDITORS' REPORT
## TO THE SHAREHOLDERS OF JANSWEAR DEVELOPMENTS LIMITED

We have audited the financial statements on pages 3 to 10 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 5.

**Respective responsibilities of directors and auditors**

As described on page 1 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 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Morley & Scott

**Morley & Scott**

Chartered Accountants
**Registered Auditor**

22nd June 2000

Edinburgh House
43-51 Windsor Road
Slough
Berkshire
SL1 2HL

# JANSWEAR DEVELOPMENTS LIMITED

## PROFIT AND LOSS ACCOUNT
*FOR THE YEAR ENDED 31 DECEMBER 1999*

| | Notes | 1999 £ | 1998 £ |
|---|---|---|---|
| **Turnover** | | 362,823 | 506,546 |
| Cost of sales | | (8,556) | (75,709) |
| **Gross profit** | | 354,267 | 430,837 |
| Administrative expenses | | (53,045) | (49,663) |
| **Operating profit** | 2 | 301,222 | 381,174 |
| Interest payable and similar charges | | (112,568) | (117,999) |
| **Profit on ordinary activities before taxation** | | 188,654 | 263,175 |
| Tax on profit on ordinary activities | 3 | (27,139) | (51,561) |
| **Profit on ordinary activities after taxation** | | 161,515 | 211,614 |
| Dividends | | (20,000) | (20,000) |
| **Retained profit for the year** | 12 | 141,515 | 191,614 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# JANSWEAR DEVELOPMENTS LIMITED

## BALANCE SHEET
## *AS AT 31 DECEMBER 1999*

| | Notes | 1999 £ | 1999 £ | 1998 £ | 1998 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 4 | | 13,016 | | 16,894 |
| Investment properties | 5 | | 3,914,820 | | 3,891,267 |
| Investments | 6 | | 3,914 | | 3,914 |
| | | | 3,931,750 | | 3,912,075 |
| **Current assets** | | | | | |
| Stocks | | 159,250 | | 159,250 | |
| Debtors | 7 | 12,780 | | 31,764 | |
| | | 172,030 | | 191,014 | |
| **Creditors: amounts falling due within one year** | 8 | (613,012) | | (671,411) | |
| **Net current liabilities** | | | (440,982) | | (480,397) |
| **Total assets less current liabilities** | | | 3,490,768 | | 3,431,678 |
| **Creditors: amounts falling due after more than one year** | 9 | | (967,442) | | (1,049,867) |
| **Provisions for liabilities and charges** | 10 | | (900) | | (900) |
| | | | 2,522,426 | | 2,380,911 |
| **Capital and reserves** | | | | | |
| Called up share capital | 11 | | 3,100 | | 3,100 |
| Revaluation reserve | 12 | | 1,499,064 | | 1,499,064 |
| Profit and loss account | 12 | | 1,020,262 | | 878,747 |
| **Shareholders' funds - equity interests** | 13 | | 2,522,426 | | 2,380,911 |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 21 June 2000.

.....

G H Ward
**Director**

# JANSWEAR DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS
## *FOR THE YEAR ENDED 31 DECEMBER 1999*

### 1 Accounting policies

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

**1.2 Turnover**

Turnover represents amounts receivable for in respect of rental income and services net of VAT.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| Plant and machinery | 20% Straight line |
| Fixtures, fittings & equipment | 10% Straight line |

Investment properties are included in the balance sheet at their open market value.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

**1.4 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**1.5 Stock**

Stock is valued at the lower of cost and net realisable value.

**1.6 Deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

**1.7 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

### 2 Operating profit

| | 1999 | 1998 |
|---|---|---|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 4,490 | 5,389 |
| Auditors' remuneration | 1,315 | 1,450 |
| Directors' emoluments | 5,000 | 5,000 |

## NOTES TO THE FINANCIAL STATEMENTS
*FOR THE YEAR ENDED 31 DECEMBER 1999*

| 3 Taxation | 1999 £ | 1998 £ |
|---|---|---|
| **U.K. current year taxation** | | |
| U.K. corporation tax at 20% (1998 - 21%) | 34,807 | 56,000 |
| Deferred taxation | - | (200) |
| | 34,807 | 55,800 |
| **Prior years** | | |
| U.K. corporation tax | (7,668) | (4,239) |
| | 27,139 | 51,561 |

**4 Tangible fixed assets**

| | Plant and machinery etc £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 1999 | 256,997 |
| Additions | 612 |
| Disposals | (244) |
| At 31 December 1999 | 257,365 |
| **Depreciation** | |
| At 1 January 1999 | 240,103 |
| On disposals | (244) |
| Charge for the year | 4,490 |
| At 31 December 1999 | 244,349 |
| **Net book value** | |
| At 31 December 1999 | 13,016 |
| At 31 December 1998 | 16,894 |

## 5 Tangible fixed assets

| | Investment properties £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 1999 | 3,891,267 |
| Additions | 23,553 |
| At 31 December 1999 | 3,914,820 |

The valuations of investment properties were made as at 31 December 1999 by the directors on an open market basis. No depreciation is provided in respect of these properties. On an historical cost basis these would have been included at an original cost of £1,770,936. If disposed of at the revalued amount a taxation liability of approximately £73,000 would arise.

## 6 Fixed asset investments

| | Shares in group undertakings and participating interests £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 1999 & at 31 December 1999 | 3,914 |

**Holdings of more than 20%**
The company holds more than 20% of the share capital of the following companies:

| Company | Country of registration or incorporation | Shares held Class | % |
|---|---|---|---|
| **Subsidiary undertakings** | | | |
| Bix Developments Limited | England and Wales | Ordinary | 100 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

| | Capital and reserves | Profit for the year |
|---|---|---|
| Bix Developments Limited | 3,000 | - |

Bix Developments Limited did not trade during the year.

## NOTES TO THE FINANCIAL STATEMENTS
*FOR THE YEAR ENDED 31 DECEMBER 1999*

| 7 Debtors | 1999 £ | 1998 £ |
|---|---|---|
| Trade debtors | 3,750 | - |
| Other debtors | 9,030 | 31,764 |
| | 12,780 | 31,764 |

| 8 Creditors: amounts falling due within one year | 1999 £ | 1998 £ |
|---|---|---|
| Bank loans and overdrafts | 379,179 | 436,617 |
| Trade creditors | 19,684 | 16,162 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 4,637 | 4,637 |
| Taxation and social security | 47,151 | 71,303 |
| Other creditors | 162,361 | 142,692 |
| | 613,012 | 671,411 |

| 9 Creditors: amounts falling due after more than one year | 1999 £ | 1998 £ |
|---|---|---|
| Bank loans | 687,442 | 769,867 |
| Other creditors | 280,000 | 280,000 |
| | 967,442 | 1,049,867 |
| **Analysis of loans** | | |
| Wholly repayable within five years | 1,097,474 | 1,179,899 |
| Included in current liabilities | (130,032) | (130,032) |
| | 967,442 | 1,049,867 |
| **Loan maturity analysis** | | |
| Between one and two years | 222,912 | 222,912 |
| Between two and five years | 744,530 | 826,955 |

The aggregate amount of creditors for which security has been given amounted to £1,066,621 (1998 - £1,206,484).

## NOTES TO THE FINANCIAL STATEMENTS
*FOR THE YEAR ENDED 31 DECEMBER 1999*

### 10 Provisions for liabilities and charges

| | £ |
|---|---|
| Balance at 1 January 1999 and at 31 December 1999 | 900 |

Deferred tax is provided at 20% (1998 - 21%) analysed over the following timing differences:

| | Not provided | | Provided | |
|---|---|---|---|---|
| | 1999 | 1998 | 1999 | 1998 |
| | £ | £ | £ | £ |
| Accelerated capital allowances | - | - | 900 | 900 |
| | - | - | 900 | 900 |
| Surplus on revaluation of land and buildings | 73,000 | 73,000 | - | - |
| | 73,000 | 73,000 | 900 | 900 |

### 11 Share capital

| | 1999 | 1998 |
|---|---|---|
| | £ | £ |
| **Authorised** | | |
| 100,000 Ordinary shares of £ 1 each | 100,000 | 100,000 |
| **Allotted, called up and fully paid** | | |
| 3,100 Ordinary shares of £ 1 each | 3,100 | 3,100 |

### 12 Statement of movements on reserves

| | Revaluation reserve | Profit and loss account |
|---|---|---|
| | £ | £ |
| Balance at 1 January 1999 | 1,499,064 | 878,747 |
| Retained profit for the year | - | 141,515 |
| Balance at 31 December 1999 | 1,499,064 | 1,020,262 |

## NOTES TO THE FINANCIAL STATEMENTS
*FOR THE YEAR ENDED 31 DECEMBER 1999*

| 13 Reconciliation of movements in shareholders' funds | 1999 | 1998 |
|---|---|---|
| | £ | £ |
| Profit for the financial year | 161,515 | 211,614 |
| Dividends | (20,000) | (20,000) |
| Net addition to shareholders' funds | 141,515 | 191,614 |
| Opening shareholders' funds | 2,380,911 | 2,189,297 |
| Closing shareholders' funds | 2,522,426 | 2,380,911 |

### 14 Control

During the year the company was control by R G Ward, Mrs M Woolley and Mrs N Coward, the majority shareholders of the company who are also children of the directors, Mr G H Ward and Mrs R Ward.

### 15 Related party transactions

During the year, Janswear Developments Limited made sales of £15,147 to businesses in which Mr G H Ward and Mrs R Ward, who are both directors and shareholders of the company, have an interest.
The amounts due to the R G Ward, Mrs M Woolley and Mrs N Coward, who are shareholders (children of Mr G H Ward and Mrs R Ward) of the company at the balance sheet date were as follows:

| | Unsecured Loans 01.01.99 & 31.12.99 | Others | |
|---|---|---|---|
| | £ | 31.12.99 £ | 31.12.98 £ |
| R G Ward | 90,000 | 81,335 | 70,757 |
| Mrs N Coward | 90,000 | 32,761 | 21,303 |
| Mrs M Wooley | 50,000 | 2,775 | 1,043 |

The balances due to the directors at the balance sheet date were as follows:

| | Unsecured loans 01.01.99 & 31.12.99 | Current accounts | |
|---|---|---|---|
| | £ | 31.12.99 £ | 31.12.98 £ |
| Mr G H Ward | 20,000 | 10,409 | 9,370 |
| Mrs R Ward | 30,000 | 6,535 | 14,603 |

Interest rate of 15% per annum is charged on £230,000 of the unsecured loans at the year end and the others are interest free. Gross interest of £34,500 on the unsecured loans was charged to the profit and loss account in the year.

The balances due to its subsidiary undertaking Bix Developements Limited at 31 December 1999 was £4,637 (1998: £4,637).

# JANSWEAR DEVELOPMENTS LIMITED

# MANAGEMENT INFORMATION

# FOR THE YEAR ENDED 31 DECEMBER 1999

# JANSWEAR DEVELOPMENTS LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
*FOR THE YEAR ENDED 31 DECEMBER 1999*

| | | 1999 | | 1998 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Turnover** | | | | |
| Sales | | 15,147 | | 187,329 |
| Rent receivable | | 347,676 | | 319,217 |
| | | 362,823 | | 506,546 |
| **Cost of sales** | | | | |
| Opening stock and work in progress | 159,250 | | 229,381 | |
| Purchases | 8,556 | | 5,578 | |
| | 167,806 | | 234,959 | |
| Closing stock and work in progress | (159,250) | | (159,250) | |
| | | (8,556) | | (75,709) |
| **Gross profit** | | 354,267 | | 430,837 |
| **Administrative expenses** | | (53,045) | | (49,663) |
| **Operating profit** | | 301,222 | | 381,174 |
| **Interest payable** | | | | |
| Bank overdraft interest payable | 15,796 | | 21,027 | |
| Bank loan interest payable | 62,272 | | 54,972 | |
| Non-bank interest paid on loans < 5yrs | 34,500 | | 42,000 | |
| | | (112,568) | | (117,999) |
| **Profit before taxation** | | 188,654 | | 263,175 |

# JANSWEAR DEVELOPMENTS LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES
*FOR THE YEAR ENDED 31 DECEMBER 1999*

| | 1999<br>£ | 1998<br>£ |
|---|---|---|
| **Administrative expenses** | | |
| Wages and salaries (incl Employer's NI) | 12,064 | 11,386 |
| Directors' remuneration | 5,000 | 5,000 |
| Rates | 84 | (26) |
| Property insurance | 1,491 | 1,209 |
| Light and heat | 150 | 62 |
| Repairs and maintenance | 16,998 | 13,604 |
| Motor running expenses | 850 | 853 |
| Legal and professional fees | 2,120 | 6,169 |
| Accountancy | 2,900 | 2,852 |
| Audit fees | 1,315 | 1,450 |
| Bank charges | 912 | 1,678 |
| Bad and doubtful debts | 4,926 | (750) |
| Sundry expenses | 687 | 787 |
| VAT recovered | (942) | - |
| Depreciation on plant and machinery | 122 | 72 |
| Depreciation on fixtures and fittings | 4,368 | 5,317 |
| | 53,045 | 49,663 |