ANGLO-WELSH GROUP LIMITED

(FORMERLY KNOWN AS BART NINETY SIX LIMITED)

COMPANY NUMBER 2929801

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1995

ANGLO-WELSH GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1995

DIRECTORS	W. Furniss D.A Daynes D. Wright
SECRETARY	C. Saunders
REGISTERED OFFICE	5 Pritchard Street Bristol
AUDITORS	Robson Taylor Charter House The Square Lower Bristol Road Bath
BANKERS	The Bank of Wales 5 Pritchard Street Bristol

ANGLO-WELSH GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1995

CONTENTS

ANGLO-WELSH GROUP LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report, together with the financial statements of the company for the year ended 31 December 1995.

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 year. In preparing those financial statements, the directors are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. 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.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity during the year continued to be the provision of management services to subsidiary companies.

The company changed its name to Anglo-Welsh Group Limited on 2 February 1996.

The trading of the business for the year was satisfactory. Plans for the consolidation of the group later in 1996 are well developed.

RESULTS AND APPROPRIATIONS

The profit for the year after taxation was £27,867.

The directors have recommended a final dividend of £8,833 and an interim dividend of £9,842 has been paid and the balance of loss of £1,898 will be set off against reserves.

DIRECTORS AND DIRECTORS' INTERESTS

The directors and their beneficial interests in the share capital of the company throughout the year were:-

	50p ordinary shares	
	1995	1995
W. Furniss	25,000	25,000
K. Gate (resigned 25 January 1996)	25,000	25,000
D.A Daynes	25,000	25,000
D. Wright	-	-

AUDITORS

The auditors, Robson Taylor, have indicated their willingness to continue in office, and a resolution for their reappointment will be submitted to the annual general meeting.

By Order of the Board

C. Saunders
Secretary

5 Pritchard Street
Bristol

ANGLO-WELSH GROUP LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Robson Taylor

Registered Auditors
Bath, 25 July 1996

ANGLO-WELSH GROUP LIMITED

REPORT OF THE AUDITORS

TO THE DIRECTORS

We have examined the financial statements of the company and of its subsidiary undertakings for the year ended 31 December 1995.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions from preparing group accounts.

Opinion

In our opinion, the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.

Robson Taylor
Registered Auditors
Bath, 25 July 1996

ANGLO-WELSH GROUP LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1995

	Note	1995 £	1995 £	1994 £	1994 £
TURNOVER FROM CONTINUING OPERATIONS	2		36,000		-
Administrative expenses			(20,462)		-
OPERATING PROFIT FROM CONTINUING OPERATIONS			15,538		-
Exceptional item from continuing operations	3		(21,208)		-
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION			(5,670)		-
Income from shares in group undertakings		50,000		100,000	
Interest receivable and similar income	4	-		88	
Interest payable and similar charges	5	(16,463)		(3,594)	
			33,537		96,494
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7		27,867		96,494
Taxation	8		-		-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			27,867		96,494
Additional finance cost of non-equity shares	9		(29,765)		(5,102)
LOSS FOR THE FINANCIAL YEAR			(1,898)		91,392

STATEMENT OF RETAINED PROFITS

	1995 £	1994 £
Retained profits at 1 January 1995	91,392	-
Retained loss for the year	(1,898)	91,392
RETAINED PROFITS AT 31 DECEMBER 1995	89,494	91,392

The reported profit was found under the historical cost convention.

The notes on pages 8 to 15 form part of these financial statements.

ANGLO-WELSH GROUP LIMITED

BALANCE SHEET

31 DECEMBER 1995

	Note	1995 £	1995 £	1994 £	1994 £
FIXED ASSETS					
Investments	10		969,656		1,055,573
CURRENT ASSETS					
Debtors	11	169,467		103,455	
CREDITORS: amounts falling due within one year	12	(204,333)		(103,922)	
NET CURRENT LIABILITIES			(34,866)		(467)
TOTAL ASSETS LESS CURRENT LIABILITIES			934,790		1,055,106
CREDITORS: amounts falling due after more than one year	13		(125,977)		(158,474)
			808,813		896,632
CAPITAL AND RESERVES					
Called up share capital	15		219,583		219,583
Share premium	16		30,084		30,084
Revaluation reserve	16		469,652		555,573
Profit and loss account			89,494		91,392
SHAREHOLDERS FUNDS - ATTRIBUTABLE TO EQUITY INTERESTS	18		808,813		896,632

Approved by the board on 25 July 1996

DIRECTORS

W. Furniss

D.A Daynes

The notes on pages 8 to 15 form part of these financial statements.

ANGLO-WELSH GROUP LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 1995

	1995 £	1994 £
Profit for the financial year	27,867	96,494
Unrealised gain/(loss) on group investment	(85,921)	555,573
Total recognised gains and losses for the year	(58,054)	652,067

The notes on pages 8 to 15 form part of these financial statements

ANGLO-WELSH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 1995

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with relevant accounting and financial reporting standards with the exception of the disclosure of the exceptional item which is not in accordance with Financial Reporting Standard 3.

The principal accounting policies of the company are set out below.

1.a DEFERRED TAXATION

Provision for deferred taxation is made at the appropriate rates in respect of all material differences only to the extent that, in the opinion of the directors, there is a reasonable probability that an asset or liability will crystallise in the foreseeable future.

1.b LEASED ASSETS

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account on a straight line basis. Rentals in respect of all other leases are charged to the profit and loss account as incurred.

1.c PENSION COSTS

The company operates a defined contribution scheme.

The assets of the scheme are held seperately from the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

1.d CASH FLOW STATEMENT

In accordance with the exemptions granted to small companies by Financial Reporting Standard 1, the company does not present a cash flow statement.

1.e NON CONSOLIDATION OF SUBSIDIARY UNDERTAKINGS

The company has claimed exemption under section 248 of the Companies Act 1985 from the preparation of group accounts on the grounds that the group is small. These financial statements therefore present information about the company as an individual entity and not about its group.

1.f FIXED ASSET INVESTMENTS

Investments in subsidiary undertakings are stated at a valuation.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services during the year after the deduction of trade discounts and value added tax.

3. EXCEPTIONAL ITEMS

The exceptional item consists of the following:

	1995	1994
	£	£
Office relocation costs	21,208	-

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995	1994
	£	£
Other interest	-	88

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1995	1994
	£	£
On loan repayable within 5 years	16,463	3,594

6. STAFF NUMBER AND COSTS

	1995	1994
The average number of employees of the company (including directors) during the year was:	4	4
Wages and salaries	8,000	-
Social security costs	816	-
	8,816	-

ANGLO-WELSH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 1995

	1995	1994
7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	£	£
Loss on ordinary activities before taxation is stated after charging the following:		
Directors' remuneration	8,000	-
Auditors' remuneration	750	-
Directors emoluments:		
Fees and salaries	8,000	-
Further details, excluding pension contributions:		
Chairman	4,000	-
Highest paid director	4,000	-
Other directors' emoluments fell within the following ranges:	No.	No.
£Nil - £ 5,000	1	3

8. **TAXATION**

In view of the losses available to the company, no provision for taxation is considered necessary.

	1995	1994
9. ADDITIONAL FINANCE COST OF NON-EQUITY SHARES	£	£
Interim preference dividend paid:	9,842	-
Final preference dividend proposed:	8,833	2,792
Redemption premium	11,090	2,310
	29,765	5,102

10. FIXED ASSET INVESTMENTS

	1995 £	1994 £
Investments in subsidiary undertakings:		
Revalued cost brought forward	1,055,573	-
Additions	4	500,000
Revaluation	(85,921)	555,573
	969,656	1,055,573

During the year the company acquired 100% of the share capital of Boating Bargains Limited, Harborough Marine Limited and Anglo-Welsh Overseas Limited for a consideration of £4.

The company's subsidiary undertakings are as follows:

	Boating Bargains Limited	Anglo-Welsh Overseas Limited	Anglo-Welsh Waterway Holidays Limited	Harborough Marine Limited
Interest in the £1 ordinary share capital at 31 December 1995	100%	100%	100%	100%
Principal activity	Travel Agent	Dormant	Hire of canal boats and franchise of canal bases	Dormant
Country of incorporation	England	England	England	England
Capital and reserves at 31 December 1995	(50,644)	2	969,656	1000
Profit for the year ended 31 December 1995	(32,963)	-	(85,917)	-

11. DEBTORS

	1995 £	1994 £
Amounts owed by group undertakings	14,100	-
Taxes and social security	-	2,757
Other debtors	150,000	100,000
ACT recoverable	5,367	698
	169,467	103,455

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Bank loan and overdraft (see note 14)	36,960	36,960
Amounts owed to group undertakings	141,256	61,162
Other taxes and social security	2,916	-
Other creditors	8,000	2,310
Accruals and deferred income	1,000	-
Proposed dividend	8,834	2,792
Related advance corporation tax	5,367	698
	204,333	103,922

13. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £	1994 £
Bank loan (see note 14)	125,977	158,474

ANGLO-WELSH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 1995

14. BORROWINGS

	1995 £	1994 £
The aggregate amount of borrowings was as follows:		
Falling due within one year:		
Bank loan - current portion	36,960	36,960
	36,960	36,960
Falling due after more than one year:		
Bank loan - repayable within five years	125,977	158,474
	125,977	158,474
Aggregate amounts	162,937	195,434

Bank borrowings are secured by a mortgage debenture dated 12 December 1994 in the form of fixed and floating charge over the companies assets and a fixed charge over the book debts.

15. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Equity:		
Authorised 29,167 A ordinary shares of 50p	14,583	14,583
Authorised 75,000 ordinary shares of 50p each	37,500	37,500
Non-equity:		
Authorised 167,500 cumulative redeemable preference shares of £1 each	167,500	167,500
	219,583	219,583
Allotted, issued and fully paid:		
29,167 A ordinary shares of 50p each	14,583	14,583
75,000 ordinary shares of 50p each	37,500	37,500
167,500 cumulative redeemable preference £1 each shares of £1 each	167,500	167,500
	219,583	219,583

The preference shares carry a cumulative preference to dividends at the rate of 8% per annum.

The A ordinary shares carry a cumulative preference to dividends at the rate of a sum equal to 30% of pre-tax profits of the company or 10p net per share whichever is the greater, commencing in each financial year from the 1st January 1999.

The preference shares shall be redeemed in 3 equal portions of 41,875 shares commencing on 31st December 1996 each year until 31st December 1998. A premium of 32p will be paid on redemption.

16. RESERVES

	Share premium £	Revaluation reserve £
Balance as at 1 January 1995	30,084	555,573
Revaluation in year	-	(85,921)
At 31 December 1995	30,084	469,652

17. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

18. RECONCILIATION OF SHAREHOLDERS' FUNDS

	1995	1994
	£	£
Profit for the financial year	27,867	96,494
Revaluation of fixed asset investments	(85,921)	555,573
Finance cost of non-equity shares	(29,765)	(5,102)
Issue of share capital	-	219,583
Share premium increase	-	30,084
Net decrease in shareholders' funds	(87,819)	896,632
Opening shareholders' funds	896,632	-
Closing shareholders funds'	808,813	896,632

19. CONTINGENT LIABILITIES

The company's bankers hold an unlimited cross guarantee between the company, Anlglo-Welsh Waterway Holidays Limited, Boating Bargains Limited and Anglo-Welsh Overseas Limited.

The following pages do not form part of the statutory financial statements of the company.

ANGLO-WELSH GROUP LIMITED

DETAILED OPERATING STATEMENT

YEAR ENDED 31 DECEMBER 1995

	Note	1995 £	1994 £
TURNOVER		36,000	-
Administrative expenses	1	(5,606)	-
Other expenses	2	(6,856)	-
Directors remuneration	3	(8,000)	-
Other operating income	4	-	-
OPERATING PROFIT		15,538	-
Exceptional item	5	(21,208)	-
NET LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(5,670)	-
Income from shares in group undertakings		50,000	100,000
Interest receivable and similar income	6	-	88
Interest payable and similar charges	7	(16,463)	(3,594)
NET PROFIT ON ORDINARY ACTIVITIES		27,867	96,494

ANGLO-WELSH GROUP LIMITED

NOTES TO THE DETAILED OPERATING STATEMENT

YEAR ENDED 31 DECEMBER 1995

	1995	1994
	£	£
1. ADMINISTRATIVE EXPENSES		
Wages and salaries	816	-
Printing, stationery and advertising	440	-
Postage	2,112	-
Telephone	1,220	-
Audit and accountancy	1,000	-
Sundry expenses	18	-
	5,606	-

2. OTHER EXPENSES

ESTABLISHMENT EXPENSES		
Rent	2,282	-
Rates	1,200	-
Insurance	2,612	-
Light and heat	762	-
	6,856	-

ANGLO-WELSH GROUP LIMITED

NOTES TO THE DETAILED OPERATING STATEMENT (CONTINUED)

YEAR ENDED 31 DECEMBER 1995

	1995 £	1994 £
3. DIRECTORS REMUNERATION		
Salaries	8,000	-
4. EXCEPTIONAL ITEMS		
Office relocation expenses	21,208	-
5. INTEREST RECEIVABLE AND SIMILAR INCOME		
Other interest	-	88
6. INTEREST PAYABLE AND SIMILAR CHARGES		
Loan interest	16,463	3,594