

REGISTERED NUMBER: 444951

**SWIFFEN & SONS LIMITED**  
**DIRECTORS REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2000**



**K.S. CARMICHAEL CBE FCA**

117 Newberries Avenue

Radlett, Hertfordshire WD7 7EN

## SWIFFEN & SONS LIMITED

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**SWIFFEN & SONS LIMITED**

**OFFICERS AND ADVISERS**

**DIRECTOR:**

K.S. Carmichael CBE FCA

**SECRETARY:**

Derek Larder FCA

**AUDITORS:**

Edmund Carr  
146 New London Road  
CHELMSFORD  
Essex CM2 0AW

**BANKERS:**

Barclays Bank PLC  
P.O. Box 34  
15 Colmore Row  
BIRMINGHAM B3 2BY

Lloyds Bank PLC  
P.O. Box 44  
125 Colmore Row  
BIRMINGHAM B3 3AD

Lloyds Bank PLC  
Pall Mall/St James's Street Branch  
8/10 Waterloo Place  
LONDON SW1Y 4BE

**REGISTERED OFFICE:**

117 Newberries Avenue  
RADLETT  
Hertfordshire WD7 7EN

## **SWIFFEN & SONS LIMITED**

### **REPORT OF THE DIRECTOR**

**FOR THE YEAR ENDED 31 MARCH 2000**

The Director submits his report together with the financial statements for the year ended 31 March 2000.

### **PRINCIPAL ACTIVITIES & BUSINESS REVIEW**

The principal activities of the company continued to be the holding and making of investments.

The director is satisfied with the results for the year and the performance of investments made and the income arising therefrom. Investments were realised in the year giving rise to gains of £364,403 compared to a loss of £14,867 in the previous year.

### **RESULTS AND DIVIDENDS**

The profit for the year, after tax of £44,310, was £511,920. A first interim dividend of 40p per share was paid on 20 September 1999 on both the ordinary and 'A' ordinary shares. A second interim dividend of 40p was paid on 15 May 2000 on both the ordinary and 'A' ordinary shares. No dividend was paid on the preference shares.

The total cost of dividends detailed above was £96,000. After deducting this cost from the profits of the year there remains a retained profit of £415,920 which is carried to reserves.

In view of dividends already paid, the director does not recommend a final dividend for the year ended 31st March 2000.

### **TANGIBLE FIXED ASSETS**

Information relating to changes in fixed assets is given in note 5 to the financial statements.

### **DIRECTOR**

K.S. Carmichael acted as the company's sole director for the year under review.

K.S. Carmichael has no interest in the share capital of the company.

## **SWIFFEN & SONS LIMITED**

### **REPORT OF THE DIRECTOR (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2000**

#### **DIRECTOR'S RESPONSIBILITIES**

Company law requires the director 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 and loss of the company for that period. In preparing those financial statements, the director is required to:

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

#### **DONATIONS**

The company made donations of £100 to charitable organisations in the year to 31 March 2000.

#### **TAX STATUS**

The company is a Close Company within the meaning of the provisions of the Corporation Taxes Act 1988.

#### **AUDITOR**

Edmund Carr have expressed their willingness to continue in office as auditors to the company and a resolution will be proposed at the Annual General Meeting to re-appoint them.

Approved by the Board of Directors on 8 December 2000  
and signed on their behalf.



**Secretary**

## SWIFFEN & SONS LIMITED

### REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

#### Respective responsibilities of Directors and Auditor

As described on page 4, the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 by the director 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 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.

#### Adverse Opinion

As more fully explained, in the accounting policies and note 6, no valuation adjustment has been made as required by Statement of Standard Accounting Practice No. 19. The financial statements include investment properties at an historic valuation of £309,551. In the absence of a valuation, we are unable to quantify the effect on the financial statements.

In view of the effect of the failure to provide for a valuation referred to above, in our opinion the financial statements do not give a true and fair view of the state of the company's affairs at 31 March 2000. In all other respects, including the profit for the year, in our opinion, the financial statements have been properly prepared in accordance with the Companies Act 1985.

*Edmund Carr*

146 New London Road  
CHELMSFORD, Essex CM2 0AW

EDMUND CARR  
Chartered Accountants  
& Registered Auditors

*15 December* 2000

**SWIFFEN & SONS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2000**

	Note	2000 £	1999 £
Income from fixed asset investments	1	590,585	243,291
Administrative expenses	2	34,355	34,449
		<hr/>	<hr/>
<b>Profit on Ordinary Activities before Tax</b>		556,230	208,842
Tax on profit on ordinary activities	3	44,310	22,536
		<hr/>	<hr/>
<b>Profit on Ordinary Activities after Taxation</b>		511,920	186,306
Dividends paid and proposed	4	96,000	60,127
		<hr/>	<hr/>
<b>Retained Profit for the Year</b>	10	£415,920	£126,179
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than those included in the Profit and Loss Account.

The notes on pages 9 to 14 form an integral part of these financial statements.

**SWIFFEN & SONS LIMITED**

**BALANCE SHEET**

**AS AT 31 MARCH 2000**

	Note	2000		1999	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	5		1,994		4,464
Investments	6		3,177,392		3,032,990
			<hr/>		<hr/>
			3,179,386		3,037,454
<b>Current Assets</b>					
Debtors	7	68,195		19,750	
Cash at Bank and in Hand		1,157,935		842,687	
		<hr/>		<hr/>	
		1,226,130		862,437	
<b>Creditors: Amounts</b>					
falling due within one year	8	97,255		7,550	
		<hr/>		<hr/>	
<b>Net Current Assets</b>			1,128,875		854,887
			<hr/>		<hr/>
<b>Total Net Assets</b>			£4,308,261		£3,892,341
			<hr/>		<hr/>
<b>Capital and Reserves</b>					
Called up Share Capital	9		130,000		130,000
Profit and Loss Account	10		4,178,261		3,762,341
			<hr/>		<hr/>
<b>Equity Shareholders Funds</b>	11		£4,308,261		£3,892,341
(including non-equity interests)			<hr/>		<hr/>

Approved by the Board on the 8 December 2000  
and signed on its behalf



**Director**

The notes on pages 9 to 14 form an integral part of these financial statements.



## SWIFFEN & SONS LIMITED

### ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the company:

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985 and with applicable accounting standards except investment properties are not revalued in accordance with Statement of Standard Accounting Practice No. 19. The director does not consider that the non- application of SSAP 19 in the circumstances of the company's activities is detrimental to the understanding of the financial results.

b) Depreciation

Depreciation is provided on all fixed assets, other than freehold properties, at rates calculated to write off cost, less estimated residual value of each asset, evenly over its expected useful life, which is revised annually. The estimated useful lives are as follows:-

Motor vehicles	4 years
Fixtures, fittings and equipment	7 years

c) Investment Properties

Freehold properties are held for their rental income and are therefore classed as investment properties. The Director considers that for the reasons set out in Note 6, and the long term nature of the investment, it is inappropriate to obtain open market valuations of the major investment properties and accordingly, all properties are included in the balance sheet at their historical cost. The Director is satisfied the present market values of all properties are in excess of cost.

d) Bank and Short Term Loan Interest

Interest credited to the profit and loss account is the actual amount received during the period.

e) Other Investment Income

Rent is accounted for on a receivable basis. Dividends are accountable on a received basis.

f) Deferred Taxation

Provision is made on the liability basis at the current rate of corporation tax on all timing differences other than those which, in the opinion of the Director, will continue to be deferred for the foreseeable future.

g) Exchange Rates

Foreign investments acquired in foreign currency are included in the balance sheet at the sterling equivalent on the date of purchase. Other assets and liabilities in foreign currencies are included at the rate ruling at the balance sheet date. Income and expenditure in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the profit in ordinary activities.

h) Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

# SWIFFEN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
<b>1. Income from Fixed Asset Investments</b>		
Income from U.K. companies listed in U.K.	82,271	93,463
Income from overseas companies listed in U.K. and/or overseas	68,759	72,736
Surplus/(Loss) on investments sold or written off	364,403	(14,867)
Bank and short term deposits interest	42,683	30,339
Rents received	29,770	41,188
Exchange differences	2,699	20,432
	<u>£590,585</u>	<u>£243,291</u>
<b>2. Administrative Expenses Include</b>		
Depreciation of tangible fixed assets	2,470	1,568
Property expenses	4,704	7,851
Auditors remuneration	1,381	1,586
	<u></u>	<u></u>
Staff Costs:		
Wages and Salaries	-	-
Social Security costs	-	-
	<u></u>	<u></u>
	-	-
	<u></u>	<u></u>
	<b>Number</b>	<b>Number</b>
The average weekly number of persons employed during the year, including the director, was:-	2	2
	<u></u>	<u></u>

### Directors' Emoluments and Interests in Transactions

The director received no salary

During the year, the company paid Mr Carmichael £20,151 (1999 - £20,151), inclusive of VAT charge, in respect of accountancy and other financial services provided as part of his practice as Chartered Accountant.

**SWIFFEN & SONS LIMITED**

**NOTES TO THE FINANCIAL  
STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2000**

	2000 £	1999 £
<b>3. Tax on Profit on Ordinary Activities</b>		
U.K. Corporation Tax at 20.54% on the profit for the year (1999 - 21%)	46,242	27,052
Less relief for income tax and overseas tax deducted at source	( 5,242)	( 4,536)
(Over)/Underprovision in respect of previous year	( 1,980)	( 2,246)
	<hr/>	<hr/>
	39,020	20,270
Other tax:		
U.K. income tax on unfranked income	1,012	1,980
U.K. tax on U.K. foreign dividend income	-	5,217
Tax on franked investment income	-	11,496
Overseas tax	4,230	4,115
A.C.T. Recovered	-	(22,516)
Overseas state taxes	48	97
ACT on dividends paid	-	1,877
	<hr/>	<hr/>
	£44,310	£22,536
	<hr/>	<hr/>

On paying a substantial dividend some years ago, the relevant Advance Corporation Tax was paid to the Inland Revenue and written off in the Profit and Loss Account. The tax credit in the year to 31 March 1999 arises because the company has available the benefit of such Advance Corporation Tax to set against its Corporation Tax liabilities.

At 31 March 2000 the company had surplus Advance Corporation Tax of £83,475 available to be set against the company's future CT liabilities and deemed ACT.

**4. Dividends**

Ordinary shares		
Paid 20 September 1999 - first interim dividend	28,960	28,960
Paid 15 May 2000 - second interim dividend	28,960	12,127
'A' Ordinary shares		
Paid 20 September 1999 - first interim dividend	19,040	19,040
Paid 15 May 2000 - second interim dividend	19,040	-
	<hr/>	<hr/>
	£96,000	£60,127
	<hr/>	<hr/>

**SWIFFEN & SONS LIMITED**

**NOTES TO THE FINANCIAL  
STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2000**

		<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>5. Tangible Fixed Assets</b>				
<b>Cost:</b>				
At 1 April 1999 and				
At 31 March 2000		£12,345	£9,881	£22,226
		<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation:</b>				
At 1 April 1999		12,345	5,417	17,762
Charge for the year		-	2,470	2,470
		<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2000		£12,345	£7,887	£20,232
		<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Book Value</b>				
At 31 March 2000		£ -	£1,994	£1,994
		<u>          </u>	<u>          </u>	<u>          </u>
At 1 April 1999		£ -	£4,464	£4,464
		<u>          </u>	<u>          </u>	<u>          </u>
<b>6. Fixed Asset Investments</b>				
	<b>Freehold land and properties £</b>	<b>U.K. listed investments £</b>	<b>Overseas listed investments £</b>	<b>Total £</b>
Cost at beginning of year	407,263	1,579,132	1,046,595	3,032,990
Purchases	-	1,136,127	264,855	1,400,982
Disposals	( 97,712)	( 991,874)	( 166,994)	(1,256,580)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cost at end of year	£309,551	£1,723,385	£1,144,456	£3,177,392
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>2000</b>		<b>1999</b>	
Land and properties comprise:				
Land	18,886		18,886	
Woodland	14,018		14,018	
Other property	276,647		334,618	
Factory	-		39,741	
	<u>          </u>		<u>          </u>	
	£309,551		£407,263	
	<u>          </u>		<u>          </u>	

# SWIFFEN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2000

### 6. Fixed Asset Investments (Continued)

#### Land and Properties

Statement of Standard Accounting Practice No. 19 requires that investment properties should be valued annually and such valuation included in the financial statements. The policy adopted by the company does not comply with this statement in relation to its freehold land and buildings stated in these financial statements at a cost of £309,551.

The director considers such properties as long term investments and is of the opinion:-

- that the inclusion of such properties in the financial statements at annual valuation could be affected by forces outside his control which may result in annual changes of value which do not reflect the long term nature of the investments, and
- that the realisable value of such properties will depend on conditions subsisting at the time of disposal and that it would be imprudent to include such properties in the financial statements at a valuation until certainty exists.

	2000 £	1999 £
<b>Listed Investments</b>		
Market value of investments:		
U.K. listed investments	2,461,216	2,378,843
Overseas listed investments	2,095,693	1,978,264
	<hr/>	<hr/>
	£4,556,909	£4,357,107
	<hr/>	<hr/>
If the portfolio were realised at market value, the company would have approximate tax liabilities of:	£463,700	£475,700
	<hr/>	<hr/>

### 7. Debtors

Rentals in arrears	20,243	19,750
Other debtors	47,952	-
	<hr/>	<hr/>
	£68,195	£19,750
	<hr/>	<hr/>

### 8. Creditors: Amounts falling due within 1 year.

Second interim dividend	48,000	-
Other creditors	764	764
Accruals	7,491	6,786
Corporation tax	41,000	-
	<hr/>	<hr/>
	£97,255	£7,550
	<hr/>	<hr/>

# SWIFFEN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
<b>9. Share Capital</b>		
Authorised		
4.2% Preference shares of £1 each	20,000	20,000
Ordinary shares of £1 each	72,400	72,400
'A' Ordinary shares of £1 each	47,600	47,600
	<hr/>	<hr/>
	£140,000	£140,000
	<hr/>	<hr/>
Allotted and fully paid up		
4.2% Preference shares of £1 each	10,000	10,000
Ordinary shares of £1 each	72,400	72,400
'A' Ordinary shares of £1 each	47,600	47,600
	<hr/>	<hr/>
	£130,000	£130,000
	<hr/>	<hr/>

Preference shares carry the right to receive a fixed dividend at the rate of 4.2% to 5 April 1999 and 6% thereafter and to have first call on the company's capital on winding up. Ordinary shares carry the right to dividends in preference to 'A' Ordinary shares. 'A' Ordinary shares only have dividend rights when the dividend on the Ordinary shares reaches 40p per share. 'A' Ordinary shares have no right to a distribution of capital on the company's winding up. In all other respects, 'A' Ordinary shares rank pari passu with Ordinary shares. Arrears of Preference shares amount to £1,470.

## 10. Profit and Loss Account

Balance at beginning of year	3,762,341	3,636,162
Profit for the financial year	415,920	126,179
	<hr/>	<hr/>
Balance at end of year	£4,178,261	£3,762,341
	<hr/>	<hr/>

## 11. Reconciliation of Movement in Shareholders Funds

Profit for the year after tax	511,920	186,306
less dividends	96,000	60,127
	<hr/>	<hr/>
Retained profit for the year	415,920	126,179
Opening shareholders funds	3,892,341	3,766,162
	<hr/>	<hr/>
Closing shareholders funds	£4,308,261	£3,892,341
	<hr/>	<hr/>

Shareholders funds include an amount of £10,000 which represents non-equity interests.

## SWIFFEN & SONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2000

#### 12. **Contingent Liabilities**

The company had no contingent liabilities other than those relating to capital gains tax arising on the profit on any future disposal of assets. An estimate of the tax liability arising on a notional disposal of the company's fixed asset listed investments at their market value at the Balance Sheet date is given in Note 6 to the financial statements. As regards properties, no estimate of possible tax liability on a notional disposal can be given as no valuation has been carried out on which a calculation of tax liability could be made.