

NEWATER INVESTMENTS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 29 SEPTEMBER 2002



NEWATER INVESTMENTS LIMITED

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**INDEPENDENT AUDITORS' REPORT TO
NEWATER INVESTMENTS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts, which comprise the Abbreviated Balance Sheet and the related notes, together with the financial statements of the company for the year ended 29 September 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts are properly prepared in accordance with those provisions.

Birmingham, UK
17 March 2003

PKF

PKF
Registered Auditors

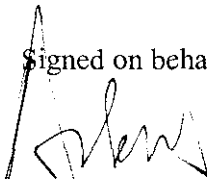
NEWATER INVESTMENTS LIMITED
ABBREVIATED BALANCE SHEET
29 SEPTEMBER 2002

	Notes	2002 £	2001 £ (As restated)
FIXED ASSETS			
Investment properties	2	3,400,000	3,165,000
Investments	3	595,152	788,914
		<u>3,995,152</u>	<u>3,953,914</u>
CURRENT ASSETS			
Debtors		154,128	136,264
Cash at bank and in hand		292,971	335,191
		<u>447,099</u>	<u>471,455</u>
CREDITORS: amounts falling due within one year	4	(295,413)	(350,125)
NET CURRENT ASSETS		<u>151,686</u>	<u>121,330</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,146,838</u>	<u>4,075,244</u>
CREDITORS: amounts falling due after more than one year	4	(309,780)	(309,675)
NET ASSETS		<u><u>3,837,058</u></u>	<u><u>3,765,569</u></u>
CAPITAL AND RESERVES			
Called up share capital	5	46,000	46,000
Revaluation reserve		2,426,376	2,274,947
Profit and loss account		1,364,682	1,444,622
		<u>3,837,058</u>	<u>3,765,569</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the board on 28 February 2003

Signed on behalf of the board of directors



D J Sebire

Director

NEWATER INVESTMENTS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 29 SEPTEMBER 2002

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and fixed asset investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(b) Rents from properties

Turnover comprises the invoiced value, net of value added tax, of rents receivable and services provided during the year.

(c) Investment properties

Investment properties are included in the balance sheet at their existing use open market value in accordance with the Financial Reporting Standard for Smaller Entities and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

(d) Investments

Listed investments are included at mid-market value at the balance sheet date. Unquoted investments are stated at cost less provision for permanent diminution in value. Where the directors believe a diminution in value to be permanent it is charged to the profit and loss account. Other adjustments to market value are transferred directly to the revaluation reserve. Previously investments other than investment properties were included at cost. Dividends from investments are included in the profit and loss account when receivable.

(e) Deferred taxation

Deferred tax is provided using the full provision method and is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date with the exception of property and investment revaluations where there is no contractual agreement for their sale.

Deferred tax assets are only recognised where they arise from timing differences where their recoverability in the short term is regarded as more likely than not.

The company previously accounted for tax using the liability method on all timing differences which were expected to reverse in the foreseeable future. The change in policy follows the introduction of the Financial Reporting Standard for Smaller Entities (effective June 2002). No provision for deferred taxation was required at 29 September 2002 or 29 September 2001 using either the current or former basis of provisioning.

(f) Pensions

The company operated a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

NEWATER INVESTMENTS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 29 SEPTEMBER 2002

2 INVESTMENT PROPERTIES

	£
Cost or valuation	
At 30 September 2001	
As previously reported	3,335,273
Prior period adjustment	(170,273)
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As restated	3,165,000
Additions	12,292
Revaluations	222,708
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At 29 September 2002	3,400,000
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NEWATER INVESTMENTS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 29 SEPTEMBER 2002

3 FIXED ASSET INVESTMENTS

	£
Cost or valuation	
At 30 September 2001	
As previously reported	1,107,966
Prior period adjustment	(319,052)
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As restated	788,914
Additions	11,531
Disposals	(48,827)
Provision for permanent diminution in value	(85,187)
Revaluations	(71,279)
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At 29 September 2002	595,152
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Provisions	
At 30 September 2001	
As previously reported	3,335,273
Prior period adjustment	(170,273)
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At 30 September 2001 and 29 September 2002	-
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Net book amount	
At 29 September 2002	595,152
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At 29 September 2001	788,914
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Shares in group undertaking is an investment in a subsidiary, Newater Developments Limited, a company incorporated in England and Wales, comprising a holding of 100% of its issued ordinary capital.

During its latest financial year Newater Developments Limited made a profit after tax of **£ nil** (2001 - £ nil) and at the end of that year the aggregate of its capital and reserves was **£(7,321)** (2001 - £(7,321)).

The company did not trade during the year.

Investments include unlisted investments at a cost of £18,799. Based on the latest share dealings in these investments the value of these investments would be £89,410.

4 CREDITORS

Creditors amounting to **£NIL** (2001 - £NIL) are secured.

NEWATER INVESTMENTS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
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5 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 30 September 2001 and 29 September 2002 Ordinary shares of £1 each	55,000	46,000	46,000