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DEWMEAD LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1997

ROTHMAN PANTALL & CO

CHARTERED ACCOUNTANTS

SUTTON SURREY



DEWMEAD LIMITED

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DEWMED LIMITED

DIRECTORS REPORT

DIRECTORS

S R Adkins
A T Scott

SECRETARY

S E Peck

REGISTERED OFFICE

27/29 Tower Bridge Road
London
SE1

REGISTERED NUMBER

2945773

FINANCIAL STATEMENTS

The directors submit their report and the financial statements for the year ended 31st December 1997.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS RESPONSIBILITIES

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs 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. The directors are also required to make judgements and estimates that are reasonable and prudent. Finally they must prepare 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.

REVIEW OF THE BUSINESS

The company's principal activity during the year was that of property developers.
The directors are pleased to report a pre-tax profit of £20,272 for the year.

DIRECTORS INTERESTS

The directors interests in the share capital of the company were as follows:

	31st December 1997	31st December 1996
	<u>£1 Ordinary Shares</u>	<u>£1 Ordinary Shares</u>
S R Adkins	50	50
A T Scott	50	50

SMALL COMPANY EXEMPTION

The above 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



S E Peck
SECRETARY

DATE: 6/2/97

DEWMEAD LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1997

	<u>NOTE</u>	<u>1997</u>	<u>1996</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	2	3,360	-
<u>CURRENT ASSETS</u>			
Developments in progress	3	136,034	136,034
Debtors	4	2,112	3,338
Bank balances and cash		<u>5,781</u>	<u>2,945</u>
		143,927	142,317
<u>CREDITORS</u> : amounts falling due within one year	5	<u>43,497</u>	<u>54,296</u>
<u>NET CURRENT ASSETS</u>		<u>100,430</u>	<u>88,021</u>
		<u>103,790</u>	<u>88,021</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	6	100	100
Profit and loss account	7	<u>103,690</u>	<u>87,921</u>
		<u>103,790</u>	<u>88,021</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

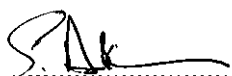
In the Directors' opinion the company is entitled to the exemption from audit conferred by sub-Section 1 of Section 249A Companies Act 1985 for the year ended 31st December 1997.

The Directors confirm that no notice under Section 249B(2) Companies Act 1985 requiring an audit has been deposited by members.

The Directors confirm that they are responsible for:

- ensuring that the company keeps accounting records which comply with the requirements of Section 221 Companies Act 1985, and
- preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December 1997 and of its results for the year then ended in accordance with the requirements of Section 226 Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON 6/7/98


.....
S R Adkins

DEWMEAD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>NOTE</u>	<u>1997</u> £	<u>1996</u> £
<u>TURNOVER</u>		37,380	25,411
Administrative expenses		(14,181)	(9,129)
<u>OPERATING PROFIT</u>		23,199	16,282
Interest receivable	11	1	300
Interest payable	10	(2,928)	(34)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	9	20,272	16,548
Tax on profit on ordinary activities	8	4,503	4,140
<u>RETAINED PROFIT FOR THE YEAR</u>	7	<u>15,769</u>	<u>12,408</u>

DEWMEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared under the historical cost convention.

b) Deferred Taxation

Provision is made on the liability method for deferred taxation in respect of material timing differences which are expected to reverse within the foreseeable future.

c) Developments in Progress

Developments in progress are valued at the lower of cost and net realisable value after making allowance for any obsolete or slow moving items.

The cost of bringing each development to its present condition is calculated to include all direct expenditure.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion.

d) Turnover

Turnover is the total of rentals received during the year.

e) Depreciation

Depreciation is charged on a straight line basis at the following rates, which are expected to reduce the assets to their net realisable values over their estimated lives:

Fixtures and fittings	25% per annum
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2. TANGIBLE ASSETS

Movements during the year are summarised as follows:

Fixtures &
Fittings

£

COST

Additions

4,485

As at 31st December 1997

4,485

DEPRECIATION

Charged

1,125

As at 31st December 1997

1,125

NET BOOK VALUE

As at 31st December 1997

3,360

DEWMEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 1997

3. DEVELOPMENTS IN PROGRESS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Developments in progress	<u>136,034</u>	<u>136,034</u>

4. DEBTORS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade debtors	2,112	3,336
Accrued income	<u>-</u>	<u>2</u>
	<u>2,112</u>	<u>3,338</u>

All amounts included above are receivable within one year of the Balance Sheet date.

5. CREDITORS: amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Other creditors	8,000	-
Directors loans	8,000	-
Trade creditors	5,184	674
Current corporation tax	8,644	29,422
Accruals	1,850	4,200
Loans (secured)	<u>11,819</u>	<u>20,000</u>
	<u>43,497</u>	<u>54,296</u>

6. SHARE CAPITAL

The authorised share capital is 100 ordinary shares of £1 each.

The issued share capital is 100 ordinary shares of £1 each, fully paid.

7. PROFIT AND LOSS ACCOUNT

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Balance at 1st January 1997	87,921	75,513
Retained profit for the year	<u>15,769</u>	<u>12,408</u>
Balance at 31st December 1997	<u>103,690</u>	<u>87,921</u>

DEWMEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 1997

8. TAXATION

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Overprovision in previous year	(127)	-
Corporation tax based on current profit at current rates	<u>4,630</u>	<u>4,140</u>
As per profit and loss account	<u>4,503</u>	<u>4,140</u>

The 'close' company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

9. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Profit is stated after charging:		
Depreciation	<u>1,125</u>	<u>-</u>

10. INTEREST PAYABLE

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Interest on late paid corporation tax	999	-
Loan interest	<u>1,929</u>	<u>34</u>
	<u>2,928</u>	<u>34</u>

11. INTEREST RECEIVABLE

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Deposit interest received	<u>1</u>	<u>300</u>

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31st December 1997 the directors had authorised no further capital expenditure (1996 - nil). There were no contingent liabilities at the Balance Sheet date (1996 - nil).

13. RELATED PARTY TRANSACTIONS

- i) During the year the company incurred a management charge of £1,000 plus VAT for office services from Goodwin New Homes Limited, a company in which one of the Directors, Mr S R Adkins, owns a material interest.
- ii) Mr A T Scott has advanced monies to the company to assist with development projects. These monies totalled £8,000 during the year.
- iii) Mr S R Adkins is a director of Goodwin Associates Limited. This company has advanced monies to the company to assist with development projects. These monies totalled £8,000 during the year.