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DEWMEAD LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1998

ROTHMAN PANTALL & CO

CHARTERED ACCOUNTANTS

SUTTON SURREY



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COMPANIES HOUSE

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15/01/00

DEWMEAD LIMITED

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DEWMEAD 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 1998.

DIVIDENDS

Dividends of £10,000 were paid during the year and the directors do not recommend the payment of any further dividends.

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 £29,428 for the year.

DEWMEAD LIMITED

DIRECTORS REPORT (continued)

DIRECTORS INTERESTS

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

	31st December 1998 <u>£1 Ordinary Shares</u>	31st December 1997 <u>£1 Ordinary Shares</u>
S R Adkins	50	50
A T Scott	50	50

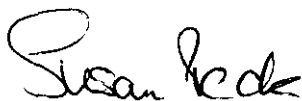
THE MILLENNIUM AND THE EURO

The directors are implementing procedures to minimise the risks to the company inherent in the use of electronic media, by both the company and its third parties, in the approach to the year 2000 and the effect the introduction of the Euro may have on its business. The costs associated with this are not expected to be material and will simply result in an acceleration of necessary expenditure.

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: 10/1/00

DEWMEAD LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1998

	<u>NOTE</u>	<u>£</u>	<u>1998</u>	<u>£</u>	<u>1997</u>	<u>£</u>
<u>FIXED ASSETS</u>						
Tangible assets	2			2,239		3,360
<u>CURRENT ASSETS</u>						
Developments in progress	3	136,034			136,034	
Debtors	4	4,083			2,112	
Bank balances and cash		-			5,781	
			140,117		143,927	
<u>CREDITORS</u> : amounts falling due within one year	5	25,438			43,497	
<u>NET CURRENT ASSETS</u>				114,679		100,430
				116,918		103,790
<u>CAPITAL AND RESERVES</u>						
Called up share capital	6			100		100
Profit and loss account	7			116,818		103,690
				116,918		103,790

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 1998.

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 1998 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 12.11.98 (Date)



S R Adkins

DEWMEAD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	<u>NOTE</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
<u>TURNOVER</u>		37,136	37,380
Administrative expenses		<u>7,135</u>	<u>14,181</u>
<u>OPERATING PROFIT</u>		30,001	23,199
Interest receivable	11	1	1
Interest payable	10	<u>(574)</u>	<u>(2,928)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	9	29,428	20,272
Tax on profit on ordinary activities	8	<u>6,300</u>	<u>4,503</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		23,128	15,769
Dividend		<u>10,000</u>	<u>-</u>
<u>RETAINED PROFIT FOR THE YEAR</u>	7	<u>13,128</u>	<u>15,769</u>

DEWMEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

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

2. TANGIBLE ASSETS

Movements during the year are summarised as follows:

Fixtures &
Fittings
£

COST

As at 31st January 1998

4,485

As at 31st December 1998

4,485

DEPRECIATION

As at 31st January 1998

1,125

Charged

1,121

As at 31st December 1998

2,246

NET BOOK VALUE

As at 31st December 1998

2,239

As at 31st December 1997

3,360

DEWMEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 1998

3. DEVELOPMENTS IN PROGRESS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Developments in progress	<u>136,034</u>	<u>136,034</u>

4. DEBTORS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Trade debtors	<u>4,083</u>	<u>2,112</u>

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

5. CREDITORS: amounts falling due within one year

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Other creditors	5,000	8,000
Directors loans	5,000	8,000
Trade creditors	860	5,184
Current corporation tax	4,800	8,644
Accruals	4,232	1,850
Loans (secured)	-	11,819
Bank overdraft	<u>4,046</u>	<u>-</u>
	<u>23,938</u>	<u>43,497</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>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Balance at 1st January 1998	103,690	87,921
Retained profit for the year	<u>13,128</u>	<u>15,769</u>
Balance at 31st December 1998	<u>116,818</u>	<u>103,690</u>

DEWMEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 1998

8. TAXATION

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Overprovision in previous year	-	(127)
Corporation tax based on current profit at current rates	<u>6,300</u>	<u>4,630</u>
As per profit and loss account	<u>6,300</u>	<u>4,503</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>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Profit is stated after charging:		
Depreciation	<u>1,121</u>	<u>1,125</u>

10. INTEREST PAYABLE

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Interest on late paid corporation tax	162	999
Bank interest	<u>412</u>	<u>1,929</u>
	<u>574</u>	<u>2,928</u>

11. INTEREST RECEIVABLE

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Deposit interest received	<u>1</u>	<u>1</u>

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31st December 1998 the directors had authorised no further capital expenditure (1997 - nil). There were no contingent liabilities at the Balance Sheet date (1997 - nil).

13. RELATED PARTY TRANSACTIONS

During the year the company incurred a management charge of £3,525 for office services from Goodwin New Homes Limited, a company in which Mr S R Adkins, a director, owns a material interest.

14. THE MILLENNIUM AND THE EURO

The costs in dealing with the software modification for the year 2000 and costs to be incurred in relation to the change over to the Euro are not considered to be material.