

Company Registration No. 2982014

GOODLAND PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998

11342-B-1998

Registered Office
23 Bullescroft Road
Edgware
Middlesex
HA8 8RN



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COMPANIES HOUSE 24/01/00

GOODLAND PROPERTIES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 1998

The director presents his report and financial statements for the year ended 30 June 1998.

Principal activities and review of the business

The principal activity of the company that of an Investment Property Company.

Results and dividends

The results for the year are set out on page 3.

Fixed assets

The significant changes in fixed assets during the year are explained in note 5 to the financial statements.

Year 2000

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The directors have considered the potential risks to the company's activities arising from the date change to the Year 2000. Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain because at least some level of failure may still occur, however the Board believe that it has achieved an acceptable state of readiness and will continue to monitor the issues on a regular basis.

The company has not incurred significant costs during the consideration of this problem.

Director

The following director has held office since 1 July 1997:

S Masi

The director has no interest in the issued share capital of the company.

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 or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

By order of the board

..... Stefano Masi

S Masi (Director)

Date : **13 NOV 1999**

MATTHEW EDWARDS & CO
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**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE
ACCOUNTS OF GOODLAND PROPERTIES LIMITED**

We report on the accounts for the year ended 30 June 1998.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 1998, set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these accounts in order to assist you to fulfil your statutory responsibilities.

Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.

Matthew Edwards & Co

Matthew Edwards & Co.

Chartered Accountants

13 November 1999

Clinch's House, Lord Street
Douglas
Isle Of Man
IM99 1RZ

GOODLAND PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1998**

	Notes	1998 ITL'000	1997 ITL'000
Turnover	2	24,000	30,000
Cost of sales		(8,467)	(28,268)
Gross profit		<u>15,533</u>	<u>1,732</u>
Administrative expenses		(40,157)	(17,485)
Operating loss	3	<u>(24,624)</u>	<u>(15,753)</u>
Loss on ordinary activities before taxation		<u>(24,624)</u>	<u>(15,753)</u>
Tax on loss on ordinary activities	4	(193)	-
Loss on ordinary activities after taxation	9	<u>(24,817)</u>	<u>(15,753)</u>
Loss brought forward at 1 July 1997		(34,530)	(18,777)
Loss carried forward at 30 June 1998		<u>(59,347)</u>	<u>(34,530)</u>

All of the company's activities are derived from continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GOODLAND PROPERTIES LIMITED

**BALANCE SHEET
AS AT 30 JUNE 1998**

	Notes	1998 ITL'000	1997 ITL'000
Fixed assets			
Tangible assets	5	960,466	943,000
Current assets			
Debtors	6	5,949	7,740
Cash at bank and in hand		2,036	8,184
		<u>7,985</u>	<u>15,924</u>
Creditors: amounts falling due within one year	7	<u>(75,265)</u>	<u>(40,921)</u>
Net current liabilities		(67,280)	(24,997)
Total assets less current liabilities		<u>893,186</u>	<u>918,003</u>
Capital and reserves			
Called up share capital	8	952,533	952,533
Profit and loss account	9	(59,347)	(34,530)
Shareholders' funds - equity interests	10	<u>893,186</u>	<u>918,003</u>

In preparing these financial statements:

- The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The director acknowledges his responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on **13 NOV 1999**

..... *Stefano Masi*
S Masi (Director)

GOODLAND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.3 Foreign currency translation

The company's accounting records are maintained in Italian Lira.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

2 Turnover

Turnover represents amounts receivable in respect of the company's principal activity.

3 Operating loss

	1998	1997
	ITL'000	ITL'000
Operating loss is stated after charging:		
Audit and accountancy fees	2,373	2,163

4 Taxation

	1998	1997
	ITL'000	ITL'000
Current year taxation		
Italian Taxation	193	-

No provision has been made for UK corporation tax as the profits arise in Italy. The tax charge represents Italian taxes payable by the company's Italian branch.

GOODLAND PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 1998**

5 Tangible fixed assets

	Investment properties ITL'000
Cost	
At 1 July 1997	943,000
Additions	17,466
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At 30 June 1998	960,466
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The investment represents a property situated in Rome, Italy, and is stated at its open market value of ITL 943,000,000. The valuation was performed by Dennetta Marcello, at 30th June 1996, a non-graduate master builder, registered in the Technical Consultants list by the civil court of Rome and registered in the Non-Graduate Engineers list by the Province of Rome.

6 Debtors	1998 ITL'000	1997 ITL'000
Italian taxes recoverable	3,985	-
Other debtors	-	2,687
Prepayments and accrued income	1,964	5,053
	<hr/>	<hr/>
	5,949	7,740
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year	1998 ITL'000	1997 ITL'000
Trade creditors	2,500	1,200
Corporation tax	193	-
Other creditors	67,199	31,681
Accruals and deferred income	5,373	8,040
	<hr/>	<hr/>
	75,265	40,921
	<hr/>	<hr/>

8 Share Capital

Authorised, issued and fully paid share capital

	ITL'000	ITL'000
1,000 ordinary £1 shares	2,533	2,533
950,000 ordinary Lit 1,000 shares	950,000	950,000
	<hr/>	<hr/>
	952,533	952,533
	<hr/>	<hr/>

The ordinary £1 shares rank pari passu in all respects with the ordinary ITL1,000 shares.

GOODLAND PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 1998**

9 Statement of movements on profit and loss account

	Profit and loss account ITL'000
Balance at 1 July 1997	(34,530)
Retained loss for the year	(24,817)
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Balance at 30 June 1998	(59,347)
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10 Reconciliation of movements in shareholders' funds

	1998 ITL'000	1997 ITL'000
Loss for the financial year	(24,817)	(15,753)
Opening shareholders' funds	918,003	933,756
	<hr/>	<hr/>
Closing shareholders' funds	893,186	918,003
	<hr/>	<hr/>

11 Contingent liabilities

There were no known contingent liabilities at the balance sheet date.

12 Capital commitments

There were no major capital commitments at the balance sheet date.

13 Employees

Number of employees, wages and salaries

There were no employees during the year apart from the director. The director received no remuneration during the year.

14 Immediate Parent Company

The immediate parent company of Goodland Properties Limited is Camelford Properties Limited a company incorporated in the Isle of Man.