

VINE DEVELOPMENTS LIMITED
FINANCIAL STATEMENTS
31 MARCH 1999

Company Registration Number 03077946

HARE WILSON & CO
Chartered Accountants & Registered Auditors
Redmead House, Uxbridge Road
Hillingdon Heath, Uxbridge
Middlesex, UB10 0LT



VINE DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1999

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VINE DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of property developing. The company also rents out holiday accommodation.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 1999	At 1 April 1998
G. DYKE	949,999	949,999
R. WEBB	<u>1</u>	<u>1</u>

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the 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. The directors 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.

AUDITORS

A resolution to re-appoint Hare Wilson & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

VINE DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 1999

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
REDMEAD HOUSE
UXBRIDGE ROAD
HILLINGDON HEATH
MIDDLESEX
UB10 0LT

Signed by order of the directors



R. WEBB
Company Secretary

Approved by the directors on15.11.1999

VINE DEVELOPMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 1999

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page 6 .

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 made by the directors 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 the 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.

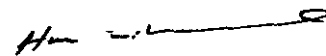
OPINION

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31 March 1999 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Redmead House, Uxbridge Road
Hillingdon Heath, Uxbridge
Middlesex, UB10 0LT

HARE WILSON & CO
Chartered Accountants
& Registered Auditors

.....15-1-1999



VINE DEVELOPMENTS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 1999**

	Note	1999 £	1998 £
TURNOVER		335,947	1,158
Cost of sales		323,266	-
GROSS PROFIT		<u>12,681</u>	<u>1,158</u>
<i>Administrative expenses</i>		49,709	55,935
Other operating income		(52,947)	(44,309)
OPERATING PROFIT/(LOSS)	2	<u>15,919</u>	<u>(10,468)</u>
Interest receivable		12,111	4,983
Interest payable		(23)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>28,007</u>	<u>(5,485)</u>
Tax on profit/(loss) on ordinary activities	3	6,045	(1,610)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>21,962</u>	<u>(3,875)</u>
Balance brought forward		(3,672)	203
Balance carried forward		<u>18,290</u>	<u>(3,672)</u>

The notes on pages 6 to 9 form part of these financial statements.

VINE DEVELOPMENTS LIMITED

BALANCE SHEET

31 MARCH 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	4	3,116	4,674
CURRENT ASSETS			
Stocks		915,684	812,994
Debtors	5	27,310	33,274
Cash at bank and in hand		105,271	118,851
		<u>1,048,265</u>	<u>965,119</u>
CREDITORS: Amounts falling due within one year	6	<u>(83,091)</u>	<u>(23,465)</u>
NET CURRENT ASSETS		<u>965,174</u>	<u>941,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>968,290</u>	<u>946,328</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	950,000	950,000
Profit and loss account	10	18,290	(3,672)
SHAREHOLDERS' FUNDS		<u>968,290</u>	<u>946,328</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

These financial statements were approved by the directors on the^{13th} and are signed on their behalf by:



G. Dyke
Director

The notes on pages 6 to 9 form part of these financial statements.

VINE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1999

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment - 25% Straight Line Basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. OPERATING PROFIT/LOSS

Operating profit/loss is stated after charging:

	1999 £	1998 £
Directors' emoluments	-	-
Depreciation	1,558	1,557
Auditors' fees	<u>1,000</u>	<u>-</u>

3. TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES

	1999 £	1998 £
Corporation tax based on the results for the year at 21% (1998 - 21%)	<u>6,045</u>	<u>(1,610)</u>

VINE DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1999

4. TANGIBLE FIXED ASSETS

	Computer Equipment £
COST	
At 1 April 1998 and 31 March 1999	<u>6,231</u>
DEPRECIATION	
At 1 April 1998	1,557
Charge for the year	<u>1,558</u>
At 31 March 1999	<u>3,115</u>
NET BOOK VALUE	
At 31 March 1999	<u>3,116</u>
At 31 March 1998	<u>4,674</u>

5. DEBTORS

	1999 £	1998 £
VAT recoverable	-	13,768
Corporation tax recoverable	1,610	1,610
Amounts owed by associated company	8,750	5,573
Other debtors	-	2,573
ACT recoverable against future taxation	9,750	9,750
Prepayments and accrued income	<u>7,200</u>	-
	<u>27,310</u>	<u>33,274</u>

6. CREDITORS: Amounts falling due within one year

	1999 £	1998 £
Corporation tax	6,045	-
VAT	65	-
Amounts owed to Associated Company	5,901	3,636
Directors current accounts	<u>49,406</u>	<u>16,946</u>
	61,417	20,582
Accruals and deferred income	<u>21,674</u>	<u>2,883</u>
	<u>83,091</u>	<u>23,465</u>

7. CONTINGENCIES

There were no contingent liabilities as at 31st March 1999.

VINE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1999

8. RELATED PARTY TRANSACTIONS

- 1) The company was under the control of Mr G.Dyke throughout the current and previous year, by virtue of the fact that he owns 99.99% of the company's share capital.
- 2) The company received rent amounting to £52947 in the normal course of business from Dartmouth Golf and Country Club (DGCC), of which Mr.G.Dyke is a director.
- 3) The company paid amounts of £1291 to DGCC for expenditure on holiday cottages. These transactions were under normal commercial terms.
- 4) At the year end a net balance of £2848 was owed by DGCC to the company (1997:£1937 was owed to DGCC by the company).
- 5) There are no other related party transactions apart from those reflected in the directors current accounts.

9. SHARE CAPITAL

Authorised share capital:

	1999 £	1998 £
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000

Allotted, called up and fully paid:

	1999 £	1998 £
Ordinary share capital brought forward	950,000	700,000
Issue of ordinary shares	-	250,000
	950,000	950,000

10. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
Balance brought forward	(3,672)	203
Retained profit/(loss) for the financial year	21,962	(3,875)
Balance carried forward	18,290	(3,672)

VINE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1999

11. POST BALANCE SHEET EVENTS

On 21st October 1999, the company acquired the entire share capital of Coursetopic Limited for the price of £2. Coursetopic Limited, at the date of acquisition owned the freehold of a potential development site in Plymouth and had substantial borrowings to support its original acquisition cost of Discovery Wharf amounting to in the region of £750,000. Subsequent to the acquisition of Coursetopic Limited the company gained planning permission to erect a 63 apartment residential property on the Discovery Wharf site with future sales potential of approximately £10.3 million.