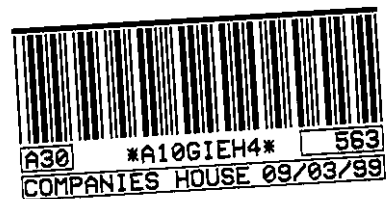


Registered no. 3368804

**ARTISAN DEVELOPMENTS LTD
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 1998**

**PERRY & COMPANY
THE SQUARE
WROTHAM
SEVENOAKS
KENT TN15 7AA**



ARTISAN DEVELOPMENTS LTD

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ARTISAN DEVELOPMENTS LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MAY 1998

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 and of the profit or loss 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;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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.

Directors

A D Cooper Esq

Secretary

Mrs S J Blackshire

Registered Office

The Square
Wrotham
Sevenoaks
KENT TN15 7AA

Principal Activities

The principal activities of the company throughout the period were that of builders.

Directors

The present directors are as shown above. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

Dividends

The directors propose a dividend of £7,500.

ARTISAN DEVELOPMENTS LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MAY 1998 (CONT)

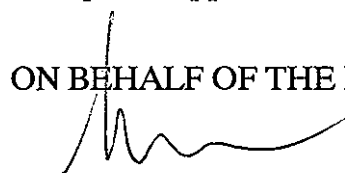
Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the period, were as follows:

	31 May 1998	9 May 1997
A D Cooper Esq		
Ordinary shares	1	-

The directors have taken advantage, in the preparation of their report, of the special exemptions applicable to small companies.

ON BEHALF OF THE BOARD



.....
5 March 1999

MRS S J BLACKSHIRE - SECRETARY

ARTISAN DEVELOPMENTS LTD

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MAY 1998

	Note	1998 £
TURNOVER	2	87,417
Cost of sales		63,046
GROSS PROFIT		<u>24,371</u>
Net operating expenses	3	13,555
OPERATING PROFIT	4	<u>10,816</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>10,816</u>
Tax on profit on ordinary activities	5	2,277
PROFIT FOR THE FINANCIAL YEAR		<u>8,539</u>
Dividends		<u>7,500</u>
RETAINED PROFIT FOR THE FINANCIAL PERIOD		<u><u>1,039</u></u>

The annexed notes form part of these financial statements.

ARTISAN DEVELOPMENTS LTD

BALANCE SHEET AT 31 MAY 1998

	Note	1998 £
FIXED ASSETS		
Tangible assets	6	3,437
CURRENT ASSETS		
Debtors	7	6,535
Cash at bank and in hand		150
		<u>6,685</u>
CREDITORS		
Amounts falling due within one year	8	<u>9,081</u>
NET CURRENT LIABILITIES		(2,396)
NET ASSETS		<u>1,041</u>
CAPITAL AND RESERVES		
Called up share capital	9	2
Profit and loss account		1,039
SHAREHOLDERS' FUNDS		<u>1,041</u>

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial period.

The directors acknowledge their responsibilities for:

- i ensuring that the company keeps accounting records which comply with section 221; and
- ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period 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 have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the board on 5 March 1999.
ON BEHALF OF THE BOARD

.....
A D COOPER ESQ - DIRECTOR

Date: 5 March 1999.

The annexed notes form part of these financial statements.

ARTISAN DEVELOPMENTS LTD

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MAY 1998

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

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

The effect of events in relation to the period ended 31 May 1998 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 May 1998 and of the results for the period ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Fixtures and fittings	- 25% per annum of cost
Motor vehicles	- 25% per annum of cost

2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the period.

3. NET OPERATING EXPENSES

	1998 £
Distribution costs	32
Administrative expenses	13,523
	<u>13,555</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	1998 £
Depreciation of fixed assets	<u>1,179</u>

ARTISAN DEVELOPMENTS LTD

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MAY 1998 (CONT)

5. TAXATION ON ORDINARY ACTIVITIES

	1998 £
Current period	
Corporation tax	2,277

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 9 May 1997	-	-	-
Additions	3,216	1,400	4,616
Revaluations	-	-	-
Intra-group transfers	-	-	-
Disposals	-	-	-
At 31 May 1998	3,216	1,400	4,616
Depreciation			
At 9 May 1997	-	-	-
Charge for the year	829	350	1,179
Revaluations	-	-	-
Intra-group transfers	-	-	-
Elimination on disposals	-	-	-
At 31 May 1998	829	350	1,179
Net book value			
At 31 May 1998	2,387	1,050	3,437

7. DEBTORS

	1998 £
Trade debtors	5,661
Tax recoverable	874
	6,535

ARTISAN DEVELOPMENTS LTD

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MAY 1998 (CONT)

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1998 £
Bank loans and overdrafts	4,593
Corporation tax payable	2,277
Social security and other taxes	1,315
Accruals and deferred income	800
Other creditors	96
	<u>9,081</u>

9. SHARE CAPITAL

	1998 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>

A D Cooper issued one ordinary share and Mrs J Blackshire issued one ordinary B share 9 May 1997.