

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999
FOR
KEW PROPERTY COMPANY LIMITED



KEW PROPERTY COMPANY LIMITED

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for the Year Ended 31 December 1999

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KEW PROPERTY COMPANY LIMITED

COMPANY INFORMATION

for the Year Ended 31 December 1999

DIRECTORS: B.J.H. Thomas
S.E. Thomas

SECRETARY: G.Y.H. Chester

REGISTERED OFFICE: Brockurst Park,
Rickmans Lane,
Stoke Poges
Berkshire
SL2 4AF

REGISTERED NUMBER: 3488670 (England and Wales)

AUDITORS: S.D. Whiting & Co,
Registered Auditors and
Chartered Accountants,
76, Ouseley Road,
Wraysbury,
Middlesex. TW19 5JH.

KEW PROPERTY COMPANY LIMITED

REPORT OF THE DIRECTORS

for the Year Ended 31 December 1999

The directors present their report with the financial statements of the company for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property management and investment.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 1999.

DIRECTORS

The directors during the year under review were:

B.J.H. Thomas

S.E. Thomas

The directors holding office at 31 December 1999 did not hold any beneficial interest in the issued share capital of the company at 1 January 1999 or 31 December 1999.

STATEMENT OF 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

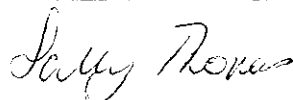
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, S.D. Whiting & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



S.E. Thomas - DIRECTOR

Dated: 27 October 2000

KEW PROPERTY COMPANY LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
KEW PROPERTY COMPANY LIMITED

We have audited the financial statements on pages four to eight which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 state of the company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

S. D. Whiting & Co.

S.D. Whiting & Co,
Registered Auditors and
Chartered Accountants,
76, Ouseley Road,
Wraysbury,
Middlesex. TW19 5JH.

Dated: 27 October 2000

KEW PROPERTY COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****for the Year Ended 31 December 1999**

	Notes	Year Ended 31.12.99		Period 5.1.98 to 31.12.98	
		£	£	£	£
TURNOVER			355,461		152,733
Distribution costs		109,290		60,837	
Administrative expenses		23,600		23,719	
			132,890		84,556
OPERATING PROFIT	3		222,571		68,177
Interest receivable and similar income			1,206		248
			223,777		68,425
Interest payable and similar charges	4		181,497		43,794
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			42,280		24,631
Tax on profit on ordinary activities	5		8,358		5,584
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			33,922		19,047
Retained profit brought forward			19,047		-
RETAINED PROFIT CARRIED FORWARD			£52,969		£19,047

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

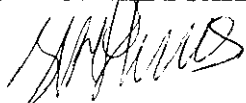
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period.

The notes form part of these financial statements

KEW PROPERTY COMPANY LIMITED**BALANCE SHEET****31 December 1999**

		<u>31.12.99</u>		<u>31.12.98</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		5,114,709		5,372,740
CURRENT ASSETS:					
Debtors	7	168,313		6,313	
Cash at bank		3,004		15,243	
		<u>171,317</u>		<u>21,556</u>	
CREDITORS: Amounts falling due within one year	8	<u>5,233,056</u>		<u>5,375,248</u>	
NET CURRENT LIABILITIES:			<u>(5,061,739)</u>		<u>(5,353,692)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£52,970</u></u>		<u><u>£19,048</u></u>
CAPITAL AND RESERVES:					
Called up share capital	9		1		1
Profit and loss account			<u>52,969</u>		<u>19,047</u>
SHAREHOLDERS' FUNDS:	11		<u><u>£52,970</u></u>		<u><u>£19,048</u></u>

ON BEHALF OF THE BOARD:

B.J.H. Thomas - DIRECTOR

Approved by the Board on 27 October 2000

The notes form part of these financial statements

KEW PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 December 1999**

1. ACCOUNTING POLICIES

Going concern

After making appropriate enquiries, the directors consider that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these accounts.

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - not provided

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. STAFF COSTS

	Year Ended 31.12.99	Period 5.1.98 to 31.12.98
	£	£
Wages and salaries	3,382	3,278

The average monthly number of employees during the year was as follows:

	Year Ended 31.12.99	Period 5.1.98 to 31.12.98
Management	3	2

KEW PROPERTY COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the Year Ended 31 December 1999**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Year Ended 31.12.99 £	Period 5.1.98 to 31.12.98 £
Profit on disposal of fixed assets	(3,109)	-
Auditors' remuneration	<u>3,211</u>	<u>3,380</u>
Directors' emoluments	<u>3,382</u>	<u>3,278</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.12.99 £	Period 5.1.98 to 31.12.98 £
Bank loan interest	180,991	42,992
Bank charges & interest	<u>506</u>	<u>802</u>
	<u>181,497</u>	<u>43,794</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 31.12.99 £	Period 5.1.98 to 31.12.98 £
UK corporation tax	<u>8,358</u>	<u>5,584</u>

UK corporation tax has been charged at 20.25% (1998 - 21%).

6. TANGIBLE FIXED ASSETS

	Freehold property £
COST:	
At 1 January 1999	5,372,740
Additions	92,024
Disposals	<u>(350,055)</u>
At 31 December 1999	<u>5,114,709</u>
NET BOOK VALUE:	
At 31 December 1999	<u>5,114,709</u>
At 31 December 1998	<u>5,372,740</u>

KEW PROPERTY COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the Year Ended 31 December 1999**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.99	31.12.98
	£	£
Debtors	165,855	4,284
Prepayments	2,458	2,029
	<u>168,313</u>	<u>6,313</u>

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.99	31.12.98
	£	£
Directors current accounts	2,627,132	2,665,820
Credit cards	3,748	464
Creditors	3,478	3,380
Taxation	8,358	5,584
Bank loan account	2,590,340	2,700,000
	<u>5,233,056</u>	<u>5,375,248</u>

9. CALLED UP SHARE CAPITAL

Authorised:					
Number:	Class:	Nominal value:	31.12.99	31.12.98	
			£	£	
1,000	Ordinary shares	£1	<u>1,000</u>	<u>1,000</u>	
Allotted, issued and fully paid:					
Number:	Class:	Nominal value:	31.12.99	31.12.98	
			£	£	
1	Ordinary shares	£1	<u>1</u>	<u>1</u>	

10. ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Kohima Limited. A company incorporated in England.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.99	31.12.98
	£	£
Profit for the financial year	33,922	19,047
Issued share capital	-	1
	<u>33,922</u>	<u>19,048</u>
Net addition to shareholders' funds	33,922	19,048
Opening shareholders' funds	19,048	-
	<u>52,970</u>	<u>19,048</u>
Closing shareholders' funds	52,970	19,048
	<u>52,970</u>	<u>19,048</u>
Equity interests	52,970	19,048
	<u>52,970</u>	<u>19,048</u>