

NEWTOWN ESTATES LIMITED

FINANCIAL ACCOUNTS
FOR THE PERIOD
21st DECEMBER 1998 TO 31st JANUARY 2000



HUNTLEY FARRAR
CHARTERED ACCOUNTANTS

NEWTOWN ESTATES LIMITED

DIRECTORS: Miss S. Roberts

SECRETARY: Mr A.K. Barber

REGISTERED OFFICE: Kingsway House
103 Kingsway
Holborn
London
WC2B 6AW

REGISTERED NUMBER: 3686448

AUDITORS: Huntley Farrar
Chartered Accountants
7 Station Road
Ashford
Middlesex
TW15 2UW

NEWTOWN ESTATES LIMITED
FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 31st JANUARY 2000

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NEWTOWN ESTATES LIMITED
REPORT OF THE DIRECTORS

FOR THE PERIOD ENDED 31st JANUARY 2000

The directors present their annual report with the accounts of the company for the period ended 31st January 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was a holding company.

DIRECTORS

The directors in office in the period and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each <u>2000</u>
Miss S. Roberts	Nil

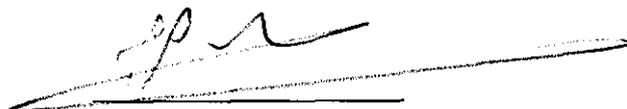
ACQUISITIONS

Shareholders approved the acquisition of 100% of the issued share capital of Lyme Regis Pine Company Limited on 8th June 1999 for £40,000. The subsidiary is a property management and investment company and its contribution to turnover and operating profits is disclosed in the financial statements.

SMALL COMPANY EXEMPTIONS

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**Signed on behalf of the
board of directors**



Mr A.K. Barber
Secretary

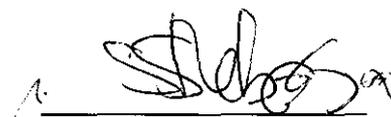
29th November 2000

NEWTOWN ESTATES LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial accounts for each financial period which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial accounts 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 accounts 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 the group and to enable them to ensure that the financial accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Miss S. Roberts
Director
On behalf of the Board

AUDITORS' REPORT TO THE SHAREHOLDERS OF
NEWTOWN ESTATES LIMITED

We have audited the financial accounts on pages 4 to 7 which have been prepared under the historical cost convention.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

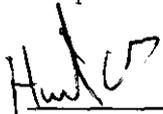
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, 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 accounts 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 accounts.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31st January 2000 and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



HUNTLEY FARRAR
Registered Auditors
Chartered Accountants

7 Station Road
Ashford
Middlesex
TW15 2UW

29th November 2000

NEWTOWN ESTATES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31st JANUARY 2000

	<u>Notes</u>		<u>2000</u>
		£	£
FIXED ASSETS			
Intangible Assets	7		27,448
CURRENT ASSETS			
Stock and Work in Progress	9	415,000	
Debtors	10	2,502	
Cash at Bank and in Hand		3,663	
		421,165	
CREDITORS: Amounts Falling			
Due within One Year	11	267,751	
NET CURRENT ASSETS			153,414
TOTAL ASSETS LESS CURRENT LIABILITIES			180,862
CREDITORS: Amounts Falling			
Due After more than One Year	12		164,803
			16,059
CAPITAL AND RESERVES			
Share Capital	13		2
Profit and Loss Account			16,057
<u>TOTAL SHAREHOLDERS' FUNDS</u>			16,059

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



Miss S. Roberts
Director

Approved by the board: 29th November 2000

The notes on pages 7a to 7d form part of these accounts.

NEWTOWN ESTATES LIMITEDBALANCE SHEET
AS AT 31st JANUARY 2000

	<u>Notes</u>	£	<u>2000</u>	£
FIXED ASSETS				
Investments	8		40,000	
			<u>40,000</u>	
CURRENT ASSETS				
Cash at Bank and in Hand			35	
			<u>35</u>	
CREDITORS : Amounts Falling Due within One Year	11		(41,147)	
			<u>(41,112)</u>	
NET CURRENT LIABILITIES				(41,112)
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>£ (1,112)</u>
 CAPITAL AND RESERVES				
Share Capital	13		2	
Profit and Loss Account			(1,114)	
			<u>(1,112)</u>	
<u>TOTAL SHAREHOLDERS' FUNDS</u>				<u>£ (1,112)</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



Miss S. Roberts
Director

Approved by the board: 29th November 2000

The notes on pages 7a to 7d form part of these accounts.

NEWTOWN ESTATES LIMITED**NOTES TO THE ACCOUNTS**
FOR THE PERIOD ENDED 31st JANUARY 2000**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

Acquisitions and Disposals

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill and is capitalised in the group balance sheet in the year of acquisition.

The results relating to a business are included in the consolidated profit and loss account from the date of acquisition.

Goodwill and Intangible Fixed Assets

For acquisitions of a business, including an interest in an associated undertaking, purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life up to a maximum of 20 years with a full year's charge for amortisation in the year of acquisition. Capitalised purchased goodwill in respect of subsidiaries is included within intangible fixed assets. Capitalised purchased goodwill relating to associates is included within the carrying value of the associate.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

2. ACQUISITIONS AND GOODWILL

100% of the issued share capital of Lyme Regis Pine Company Limited was acquired on the 8th June 1999 for a consideration of £40,000. This acquisition has been accounted for using the acquisition method of accounting. The amount of goodwill as a result of the acquisition is £28,893, which has been capitalised on the group balance sheet.

The following explains the adjustments made to the book value of the assets and liabilities acquired to arrive at the fair values included in the consolidated financial statements at the date of acquisition.

Share Capital		100
Revaluation of stocks		27,610
Profit and Loss Account pre Acquisition	(25,911)	
Profit and Loss Account for the current year to date of Acquisition	9,308	
		<u>(16,603)</u>
Fair Value		<u>11,107</u>
Goodwill		28,893
		<u>40,000</u>
Consideration		<u><u>40,000</u></u>

3. TURNOVER

The turnover and profit before taxation for the period is attributable to the principal activity of the group which is property management and investment.

In the opinion of the directors nil% of the company's turnover is attributable to geographical markets outside the UK.

4. OPERATING PROFIT

**The Operating Profit is stated
after charging:**

	<u>2000</u>
	£
Amortisation of Goodwill	1,445
Auditors' Remuneration	
Group Audit Fees	2,468
Company Audit Fees	470
	<u> </u>

5. TAXATION

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

	<u>2000</u>
	£
Corporation Tax	338
	<u> </u>

6. PROFIT/(LOSS) OF PARENT COMPANY

As permitted by section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss for the financial period amounted to £1,114.

7. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
Additions in the year	28,893
Amortisation for the year	1,445
	<u> </u>
Net Book Value as at 31st January 2000	27,448
	<u> </u>

8. FIXED ASSETS INVESTMENTS

The Company

	<u>2000</u>
	£
Shares in Group Undertakings	40,000
	<u> </u>

The above investment is unlisted.

NEWTOWN ESTATES LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31st JANUARY 2000

13. SHARE CAPITAL

	<u>2000</u> £
Authorised	10,000
Allotted, Issued and Fully Paid	2

During the period 2 shares of £1 each were allotted and fully paid for cash at par to increase the capital base of the Company.

14. LITIGATION

The subsidiary company had a claim of £67,000 against Chambourne Limited, which went into liquidation on 23rd December 1998, for not completing a contract. This debtor has not been included in the financial statements as it is unlikely that any monies will be recovered. In addition the subsidiary has incurred further costs of £30,000 in completing this contract, which has significantly affected the trading results for the year now being reported.

15. PARENT COMPANY

The company is a wholly owned subsidiary of Redcliffe Investments Limited, which is incorporated and registered in the Bahamas.