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CHARTRIDGE DEVELOPMENTS LIMITED

Annual report
for the period from 11 September 1998 to 30 September 1999



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Annual report
for the period ended 30 September 1999

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Directors and advisers

Directors

E G Thomson
L A Thomson
A Shad
J C Smith

Secretary and registered office

L A Thomson
Little Hampden Lodge
Little Hampden
Great Missenden
Buckinghamshire
HP16 9PS

Registered number: 03630555

Solicitors

Berwin Leighton
Adelaide House
London Bridge
London
EC4R 9HA

Registered Auditors

PricewaterhouseCoopers
1 Embankment Place
LONDON
WC2N 6NN

Bankers

National Westminster Bank
Chiltern Corporate Business Centre
PO Box 412
2nd Floor , Rapid House
Oxford Road
High Wycombe
Buckinghamshire
HP11 2EF

Directors' report for the period ended 30 September 1999

The directors present their report and the audited financial statements of the company for the period from 11 September 1998 to 30 September 1999.

Principal activity

The principal activity of the company in the period under review was property development.

Review of business

The results for the period are set out in the profit and loss account on page 7.

Both the level of business and the year end financial position were satisfactory. The directors expect that the sale of development properties will occur in the foreseeable future.

Dividends and transfer to reserves

The results of the company are shown on page 7. The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the period are as follows:

M Chadwick	(appointed 1 February 1999)	(resigned 8 June 1999)
E G Thomson	(appointed 9 October 1998)	
L A Thomson	(appointed 9 October 1998)	
A Shad	(appointed 1 February 1999)	
P J Sillis	(appointed 11 September 1998)	(resigned 9 October 1999)
J C Smith	(appointed 1 February 1999)	

Directors interests

The interests of the directors in shares of the company were:

	Period ended 30 September 1999
Ordinary shares	
E G Thomson	250
L A Thomson	250
A Shad	250
J C Smith	250
'A' Class ordinary shares	
E G Thomson	1
L A Thomson	2
A Shad	6
J C Smith	6

Year 2000

The company has implemented plans to address Year 2000 compliance issues in its information systems, hardware and business infrastructure, as well as seeking reassurance on Year 2000 compliance by third party suppliers. The steps that have been taken are all designed to minimise the impact of potential Year 2000 incidents on the business. Due to the early awareness by management of the Year 2000 issue there was only negligible expenditure for the year ended 30 September 1999.

Directors' responsibilities statement

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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- 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 statement 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

A resolution to re-appoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

By order of the board



Company secretary

Report of the auditors to the members of CHARTRIDGE DEVELOPMENTS LIMITED

We have audited the financial statements on pages 7 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

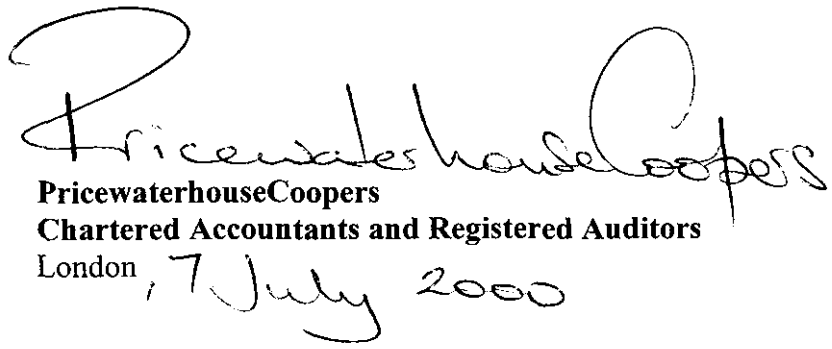
Basis of audit opinion

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 at 30 September 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London, 7 July 2000

Profit and loss account
for the period ended 30 September 1999

	Notes	1999
		£
Turnover		-
Cost of sales		-
Gross profit		-
Distribution and selling costs		(156,806)
Administrative expenses		-
Operating loss	5	(156,806)
Interest payable and similar charges		(3,076)
Interest receivable and similar charges		855
Loss on ordinary activities before taxation		(159,027)
Taxation	6	-
Loss for the financial year		(159,027)
Minority interest		-
Dividends payable		-
Retained loss for the year		(159,027)

The company had no gains or losses than those included in the losses above. Therefore no separate statement of total recognised gains and loss has been presented.

There is no difference between the loss on ordinary activities before taxation and loss for the period stated above and their historical cost equivalents.

Balance sheet
At 30 September 1999

	Notes	1999 £
Fixed assets		
Tangible assets	7	**1,370**
Current assets		
Stock	8	**960,622**
Debtors	9	**7,995**
Cash at bank and in hand		**13,780**
		982,397
Creditors: amounts falling due within one year	10	**(1,008,924)**
Net current liabilities		**(26,527)**
Total assets less current liabilities		**(25,157)**
Creditors: amounts falling due after more than one year	11	**(132,845)**
Net liabilities		**(158,002)**
Capital and reserves		
Called up share capital	12	**1,025**
Profit and loss account	13	**(159,027)**
Equity shareholders' funds	14	**(158,002)**

The financial statements on pages 5 to 15 were approved by the board of directors on [7 July 2000] and were signed on its behalf by:

Director

Notes to the financial statements for the period ended 30 September 1999

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Office equipment	25

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Stocks and work in progress

Properties carried as stock are valued at the lower of cost and net realisable value. Cost includes the purchase price of the trading asset and associated acquisition costs, including financing costs on acquiring the asset.

2 Directors' emoluments

	1999 £
Fees	90,788
Other emoluments (including pension contributions and benefits in kind)	-
	90,788

3 Employees

The average weekly number of persons (including executive directors) employed by the company during the year was:

	1999 Number
By activity	
Administration	5

	1999 £
Staff costs (for the above persons)	
Wages and salaries	93,125
Social security costs	9,086
	102,211

4 Interest payable and similar charges

	1999 £
On directors loans	3,076
	3,076

5 Profit on ordinary activities before taxation

	1999 £
Profit on ordinary activities before taxation is stated after charging:	
Depreciation charge for the year:	
Tangible owned fixed assets	229
Auditors' remuneration:	
Audit services	7,500
Non-audit services	2,500
Other operating leases	8,500

6 Tax on profit on ordinary activities

	1999 £
United Kingdom corporation tax at 33 % :	
Current	-

7 Tangible fixed assets

	Fixtures and fittings £	Total £
Cost		
At 1 October 1998	-	
Additions	1,599	1,599
Disposals	-	-
At 30 September 1999	**1,599**	**1,599**
Depreciation		
At October 1998	-	
Charge for year	229	229
Disposals	-	
At 30 September 1999	**229**	**229**
Net book value		
At 30 September 1999	**1,370**	**1,370**

8 Stock

	1999 £
Raw materials and consumables	-
Work in progress	960,622
	960,622

9 Debtors

	1999 £
Amounts falling due within one year	
Other debtors	6,769
Prepayments and accrued income	1,226
	7,995

10 Creditors: amounts due within one year

	1999 £
Directors loans	711,134
Trade creditors	282,281
Other taxation and social security costs	4,728
Accruals and deferred income	10,781
	1,008,924

11 Creditors amounts due after one year

	1999 £
Directors loans	132,845
	132,845

Interest is charged on the directors loans at a base rate of 5.25% per annum, calculated on a monthly basis (see note 4).

12 Called up share capital

	1999 £
Authorised	
500,000 ordinary shares of £1 each	**50,000**
1,250 'A' ordinary shares of £1 each	**1,250**
	51,2500
Allotted, called up and fully paid	
1,000 ordinary shares of £1 each	**1000**
25 'A' ordinary shares of £ each	**25**
	1,025

During the year 1,000 ordinary shares and 25 'A' ordinary shares were issued for cash at nominal value of £1 each.

The 'A' shares rank with the ordinary shares but have no voting rights.

13 Profit and loss account

	1999 £
At October 1998	-
Retained loss for the year	**(159,027)**
At 30 September 1999	**(159,027)**

14 Reconciliation of movements in shareholders' funds

	1999 £
Opening shareholders' funds	-
Profit/(loss) for the financial year	**(159,027)**
Net proceeds of issue of ordinary share capital	**1,025**
Closing shareholders' funds	**(158,002)**

15 Financial commitments

At 30 September 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999 £
Land and buildings	-
Expiring within one year	-
Expiring in two to five years	8,678
Expiring in over five years	-
	8,678