

FORWARD DEVELOPMENTS LTD
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA



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For The Year Ended 31 March 2000**

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COMPANY INFORMATION
For The Year Ended 31 March 2000

DIRECTORS: P P Sweeney
R H P Sweeney
Mrs P A Evans Bevan

SECRETARY: Mrs D F Sweeney

REGISTERED OFFICE: Village Farm
North Waltham
Basingstoke
Hampshire
RG25 2DD

REGISTERED NUMBER: 00834978 (England and Wales)

AUDITORS: James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA

FORWARD DEVELOPMENTS LTD

REPORT OF THE DIRECTORS For The Year Ended 31 March 2000

The directors present their report with the financial statements of the company for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of property investment and development, and farming.

DIRECTORS

The directors during the year under review were:

P P Sweeney
R H P Sweeney
Mrs P A Evans Bevan

The beneficial interests of the directors holding office on 31 March 2000 in the issued share capital of the company were as follows:

	31.3.00	1.4.99
Ordinary shares £1 shares		
P P Sweeney	10,236	10,236
R H P Sweeney	1,030	1,030
Mrs P A Evans Bevan	1,000	1,000

MILLENNIUM IT RISK

Systems critical to the company's operation and preparation of financial information (including application systems and hardware), as well as other non-financial computing and date dependent systems on which the company relies have been fully reviewed and as at the date of approval no Year 2000 problems have been experienced within the company. However the company remains exposed to an unquantifiable degree to the failure of third parties to deal with their Year 2000 exposures.

THE EURO

The directors consider the impact of the euro to have a minimal effect on the ongoing operations of the company. However, systems are in place to deal with euro transactions if required in the future.

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, James & Cowper, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

FORWARD DEVELOPMENTS LTD

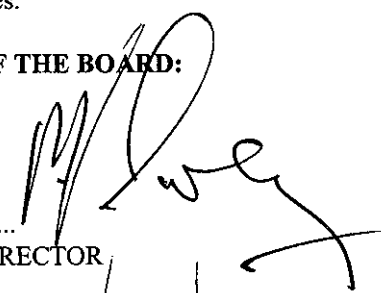
**REPORT OF THE DIRECTORS
For The Year Ended 31 March 2000**

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

ON BEHALF OF THE BOARD:

.....
P P Sweeney - DIRECTOR

Dated:


13/12/2001

FORWARD DEVELOPMENTS LTD

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF FORWARD DEVELOPMENTS LTD

We have audited the financial statements on pages five to thirteen which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page eight.

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

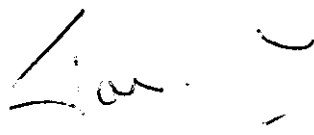
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

Qualified opinion arising from disagreement about accounting treatment

The financial statements do not include any provision for a potential liability to repay VAT which may have been reclaimed from Customs and Excise in error. Due to time constraints we have been unable to investigate this matter in detail. Without a full investigation it is difficult to quantify the extent of any liability which may exist but it is our opinion that the amount may be in the order of £68,000 over the four year period to 31 March 2000. In our opinion provision should have been made for this sum, thus reducing profit before tax by £68,000 and net assets by £51,000.

Except for the absence of this provision, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA

Dated: 3 - 1 - 2002

FORWARD DEVELOPMENTS LTD

PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2000

	Notes	2000		1999	
		£	£	£	£
TURNOVER			385,592		380,329
Cost of sales			9,173		12,657
GROSS PROFIT			376,419		367,672
Administrative expenses			(1,196,613)		102,207
			1,573,032		265,465
Other operating income			1,777		914
OPERATING PROFIT	2		1,574,809		266,379
Income from investments		14		-	
Interest receivable and similar income		6,251		6,260	
			6,265		6,260
			1,581,074		272,639
Interest payable and similar charges			3,963		23,129
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,577,111		249,510
Tax on profit on ordinary activities	3		430,463		99,565
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			1,146,648		149,945
Retained profit brought forward:					
As previously reported		1,562,810		1,343,447	
Prior year adjustments	4	(285,325)		(215,907)	
As restated			1,277,485		1,127,540
RETAINED PROFIT CARRIED FORWARD			£2,424,133		£1,277,485

The notes form part of these financial statements

FORWARD DEVELOPMENTS LTD**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
For The Year Ended 31 March 2000

	2000	1999
	<u>£</u>	<u>£</u>
PROFIT FOR THE FINANCIAL YEAR	1,146,648	149,945
Revaluation of investment properties	2,000	(29,499)
Deferred tax adjustment on revaluations	8,651	25,979
	<u></u>	<u></u>
TOTAL RECOGNISED GAINS AND LOSSES	1,157,299	146,425
RELATING TO THE YEAR		
Prior year adjustment	(285,325)	(215,907)
	<u></u>	<u></u>
TOTAL GAINS AND LOSSES RECOGNISED	£871,974	£(69,482)
SINCE LAST ANNUAL REPORT	<u><u></u></u>	<u><u></u></u>

The notes form part of these financial statements

FORWARD DEVELOPMENTS LTD

BALANCE SHEET

31 March 2000

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		97,925		111,675
Investments	6		5,282,916		6,273,500
			<u>5,380,841</u>		<u>6,385,175</u>
CURRENT ASSETS:					
Stocks		230		6,426	
Debtors	7	79,978		72,119	
Cash at bank		136,531		23,920	
		<u>216,739</u>		<u>102,465</u>	
CREDITORS: Amounts falling due within one year	8	1,399,709		2,599,243	
NET CURRENT LIABILITIES:			<u>(1,182,970)</u>		<u>(2,496,778)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>4,197,871</u>		<u>3,888,397</u>
PROVISIONS FOR LIABILITIES AND CHARGES:	10		6,585		17,885
			<u>£4,191,286</u>		<u>£3,870,512</u>
CAPITAL AND RESERVES:					
Called up share capital	11		18,300		18,300
Revaluation reserve	12		979,627		1,805,501
Other reserves	13		769,226		769,226
Profit and loss account			2,424,133		1,277,485
SHAREHOLDERS' FUNDS:			<u>£4,191,286</u>		<u>£3,870,512</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD.

.....
P P Sweeney - DIRECTOR

Approved by the Board on

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net rents due and sales of farming produce including any related subsidies and premiums.

Tangible fixed assets

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

Dairy plant and premises	- 10% straight line and 5% straight line
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 10% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

In accordance with SSAP 19, no depreciation is provided in respect of freehold property held as investments. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated is, in the opinion of the directors, necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards, as properties are included in the financial statements at their open market value.

The effect of depreciation is already reflected annually in the valuation of properties; the amount attributed to this factor by the valuers cannot reasonably be separately identified or quantified. Had the provisions of the Act been followed, net assets would not have been affected but revenue profits would have been reduced for this and earlier years.

Valuation

The valuation of stocks and stores has been prepared by professional valuers on a basis consistent with previous years and in accordance with normal farming practice.

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.

Investment Properties

Investment properties are included in the balance sheet at their open market value and are not depreciated. Changes in the value of investment properties are shown as movements in the investment revaluation reserve. Any overall excess deficit will be charged as an exceptional item in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2000**

2. OPERATING PROFIT

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

	2000	1999
	£	£
Depreciation - owned assets	14,600	16,562
(Profit)/Loss on disposal of fixed assets	(1,310,839)	226
Auditors' remuneration	6,000	5,000
	<u>6,000</u>	<u>6,395</u>
Directors' emoluments and other benefits etc	6,000	6,395
	<u>6,000</u>	<u>6,395</u>

3. TAXATION

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

	2000	1999
	£	£
UK corporation tax	427,452	52,102
Underprovision - earlier years	5,659	47,143
Deferred taxation	(2,648)	320
	<u>430,463</u>	<u>99,565</u>

UK corporation tax has been charged at 29.86% (1999 - 21%).

4. PRIOR YEAR ADJUSTMENTS

The following adjustments for transactions relating to prior years have been made in these financial statements:

a) It has been established that land and various properties owned by P P Sweeney, a director, had not been let to the company on 1 April 1995 as originally envisaged. As such the rental income received from the end tenants of these properties since that date has been removed from these financial statements together with the related provision for taxation on such income.

b) Similarly leasing income received from milk quota related to the above land, together with the provision for taxation thereon has been removed from the financial statements.

c) Inclusion of income from furnished lettings during the years ended 31 March 1996 and 31 March 1997, including the related taxation due on such income which was previously omitted from the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2000

5. TANGIBLE FIXED ASSETS

	Dairy plant and premises	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 April 1999	79,598	61,784	9,410	45,410	196,202
Additions	-	850	-	-	850
At 31 March 2000	79,598	62,634	9,410	45,410	197,052
DEPRECIATION:					
At 1 April 1999	12,526	38,440	5,039	28,522	84,527
Charge for year	6,263	3,629	486	4,222	14,600
At 31 March 2000	18,789	42,069	5,525	32,744	99,127
NET BOOK VALUE:					
At 31 March 2000	60,809	20,565	3,885	12,666	97,925
At 31 March 1999	67,072	23,344	4,371	16,888	111,675

6. FIXED ASSET INVESTMENTS

	£
COST OR VALUATION:	
At 1 April 1999	6,273,500
Additions	37,416
Disposals	(1,030,000)
Surplus on revaluation	2,000
At 31 March 2000	5,282,916
NET BOOK VALUE:	
At 31 March 2000	5,282,916
At 31 March 1999	6,273,500

Cost or valuation at 31 March 2000 is represented by:

	£
Valuation in 2000	2,000
Valuation in 1999	977,626
Cost	4,303,290
	5,282,916

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2000**

6. FIXED ASSET INVESTMENTS - continued

If the investment properties had not been revalued they would have been included at the following historical cost:

	2000	1999
	£	£
Cost	4,303,290	4,584,348

The freehold properties were valued on an open market basis on 31 March 2000 by P P Sweeney, a director.

	2000	1999
	£	£
Investments listed on recognised stock exchange	29,011	-
Unlisted investments	5,253,905	6,273,500
	5,282,916	6,273,500

Market value of listed investments at 31 March 2000 - £31,118.

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Trade debtors	1,853	12,119
Mortgage	60,000	60,000
Associated company	18,125	-
	79,978	72,119

The mortgage is secured on property and repayable to the Company on demand.

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

	2000	1999
	£	£
Bank loans and overdrafts	48,383	102,687
Directors current accounts	757,776	2,238,334
Trade creditors	24,608	3,707
Other creditors	18,675	13,963
VAT	8,916	7,458
Taxation	436,492	127,347
Accrued expenses	104,859	105,747
	1,399,709	2,599,243

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2000**

9. SECURED DEBTS

The following secured debts are included within creditors:

	2000	1999
	£	£
Bank overdrafts	<u>48,383</u>	<u>102,687</u>

Security has been provided by way of a first mortgage dated 10 December 1971 over freehold property.

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2000	1999
	£	£
Deferred taxation	<u>6,585</u>	<u>17,885</u>

	Deferred taxation £
Balance at 1 April 1999	17,885
On property revaluation transferred from reserves	(8,651)
Accelerated capital allowances	<u>(2,649)</u>
Balance at 31 March 2000	<u>6,585</u>

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	2000	1999	2000	1999
	£	£	£	£
Property revaluations	-	8,651	-	-
Accelerated capital allowances	<u>6,585</u>	<u>9,234</u>	-	-
	<u>6,585</u>	<u>17,885</u>	-	-

11. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2000	1999
			£	£
20,000	Ordinary shares	£1	<u>20,000</u>	<u>20,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2000	1999
			£	£
18,300	Ordinary shares	£1	<u>18,300</u>	<u>18,300</u>

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2000**

12. REVALUATION RESERVE

	2000	1999
	£	£
Brought forward	1,805,502	1,809,021
Property revaluation surplus	2,000	(29,499)
Realised on property sale	(836,526)	-
Deferred taxation	8,651	25,979
	<u>979,627</u>	<u>1,805,501</u>

Under SSAP19 the properties held as investments have been revalued to their open market value in the balance sheet. Such revaluations do not give rise to any tax liabilities. There may however be a capital gains tax liability when the properties are sold. A provision for this potential tax liability has been included in the financial statements under deferred taxation.

13. OTHER RESERVES

	2000	1999
	£	£
Capital profit reserve	<u>769,226</u>	<u>769,226</u>

14. RELATED PARTY DISCLOSURES

a) During the year to 31 March 2000 and in the previous year, the company was under the control of P P Sweeney, a director.

b) The investment properties were valued at 31 March 2000 by P P Sweeney, a director.