

GREENQUEST LIMITED
AND SUBSIDIARY UNDERTAKINGS

Company No: 1161970

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2000

COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
13/17 NEW BURLINGTON PLACE
REGENT STREET
LONDON W1S 2HL



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COMPANIES HOUSE

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GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS

O Tager
M Grosskopf
A E Perelman
R Tager QC
H Tager-Flusberg
L Traube

SECRETARY

C M Frommer

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

AUDITORS

Cohen Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

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GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the Balance Sheets of the Company and of the Group as at 31 March 2000 and the Consolidated Profit and Loss Account of the Group for the year ended on that date.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activities of the Group, of which Greenquest Limited is the Parent Undertaking, are property investment, farming and the wholesale of clothing and related accessories, which remained unchanged during the year and no change is envisaged in the immediate future.

RESULTS AND DIVIDEND

The financial results of the Group's activities for the year ended 31 March 2000, are fully reflected in the attached Financial Statements together with the Notes thereon.

The directors recommend the payment of a dividend of £500,000 for the year under review.

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Note 10 to the Financial Statements.

LAND AND BUILDINGS

The majority of the Group's investment properties were revalued in December 1998 by Colleys Professional Services Surveyors & Valuers, however some of the Group's investment properties are included in the Balance Sheet at cost.

The directors are of the opinion that the open market values of the remainder of the Group's investment properties, included at cost in the Balance Sheet, are in excess of the amount at which they are included in the Financial Statements.

DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL

The Directors who served during the year and their interests in the share capital of the Company were as follows:

	Ordinary £1 Shares 2000
Mr. M. Grosskopf	3,168
Mr. A. E. Perelman	2,166
Mr. R. Tager QC	140,487
Mr. O. Tager	3,001
H Tager-Flusberg	-
L Traube	88,867

In addition Messrs Grosskopf and Perelman hold 189,774 shares as trustees for family trusts.

No Director has a Service Contract with the Company.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

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 Group and of its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' INTEREST IN CONTRACTS

Management of certain of the Group's properties was carried out by inter alia, Rotherstead Limited & Observatory Gardens Estate Office Limited of which Mr Grosskopf and Mr A E Perelman are Directors and in which they are interested in the Share Capital, and by Dialaid Limited of which Mr Grosskopf is a director.

Management of certain of the Group's properties is carried out by inter alia, Pidom Export Limited, of which Mr O. Tager is director and shareholder.

Transactions were entered into with various companies of which Mr O. Tager and Mr R Tager Q.C. are directors and shareholders. These are listed in Note 22, Related Party Transactions. Transactions were also entered into with Tollshunt Limited and L. Cohen (Clothing) Limited of which Mr O. Tager and Mr A E Perelman are directors and shareholders.

DONATIONS

During the year the Group made charitable donations amounting to £148,766 (1999: £Nil).

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board


.....
C M Frommer - Secretary

Date 9th January 2001

REPORT OF THE AUDITORS' COHEN ARNOLD & CO.
TO THE MEMBERS

- OF -

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

We have audited the Financial Statements on pages 6 to 23 which have been prepared under the historical cost convention and the Accounting Policies set out in Note 1.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As indicated in the Directors' Report, 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 the Financial Statements and to report our opinion to you.

BASIS OF OPINION

We have 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 by the Directors in the preparation of the Financial Statements and of whether the accounting policies are appropriate to the Group'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 and to give reasonable assurance that the Financial Statements are free from material mis-statement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited due to the three new subsidiary companies, which were incorporated on 19 December 1999, not being required to produce audited accounts until the year ended 31 March 2000. As a result we were unable to audit the figures produced by these new subsidiary companies and there was no other satisfactory audit procedures that we could adopt.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

DEPARTURE FROM ACCOUNTING STANDARD

Certain of the Group's investment properties are included in the Financial Statements on the basis indicated in Note 1 on Accounting Policies. This does not comply with the requirements of Statement of Standard Accounting Practice No. 19 which requires such properties to be stated at their open market value. However, as stated in their report, the directors are of the opinion that each of these investment properties has an open market value at least equal to the amount at which it is included in the Financial Statements.

REPORT OF THE AUDITORS' COHEN ARNOLD & CO.

TO THE MEMBERS

- OF -

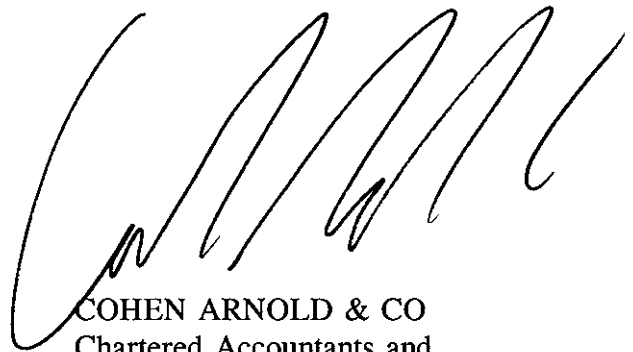
GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

**QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE AND
DEPARTURE FROM ACCOUNTING STANDARD**

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the financial results of the three new subsidiary companies and except for non-compliance with the requirements of Statement of Standard Accounting Practice No. 19, in our opinion the Financial Statements give a true and fair view of the state of the affairs of the Company and of the Group at 31 March 2000 and of the Profit and Cash Flows of the Group for the year then ended and have been properly prepared in accordance with the Companies' Act 1985.

London

Date: 29th JANUARY 2001



COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2000

	Notes	2000 £'000	1999 £'000
Turnover	2	3,418	5,553
Property Outgoings		(317)	(420)
Cost of Sales		(994)	(3,334)
GROSS PROFIT		2,107	1,799
Administrative Expenses		(987)	(622)
Distribution Expenses		(33)	(51)
OPERATING PROFIT	3	1,087	1,126
Surplus on Disposal of Investment Property	6	1,136	40
Deficit on Disposal of Investments	6	(50)	
Interest Receivable		46	78
Interest Payable	7	(272)	(273)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,947	971
Taxation	8	(864)	(179)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,083	792
Dividends	9	(2,042)	(500)
(Accumulated Losses)/Retained Profit for the Financial Year		(959)	292
Retained Profit Brought Forward		8,796	8,504
RETAINED PROFIT CARRIED FORWARD		£7,837	£8,796

None of the Group's activities was acquired or discontinued during the financial year nor in the previous year.

The notes on pages 11 to 23 form part of these Financial Statements.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS
CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2000

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Profit for the Financial Year	1,083	792
Unrealised surplus on revaluation of Investment Properties	-	12,199
Total gains recognised in the Financial Year	<u>£1,083</u>	<u>£12,991</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2000

		<u>2000</u>	<u>1999</u>
	Notes	£'000	£'000
FIXED ASSETS			
Tangible Assets	10	16,219	19,668
CURRENT ASSETS			
Stock	12	4,444	4,236
Debtors	13	6,448	1,575
Cash at Bank		1,148	334
		12,040	6,145
CREDITORS: Amounts falling due within one year	14	(6,928)	(3,367)
NET CURRENT ASSETS		5,112	2,778
TOTAL ASSETS LESS CURRENT LIABILITIES		21,331	22,446
CREDITORS: Amounts falling due after more than one year	15	(544)	(700)
NET ASSETS		£20,787	£21,746
 CAPITAL AND RESERVES			
Called up Share Capital	17	625	625
Share Premium Account	18	28	28
Capital Reserves	18	98	98
Revaluation Reserve	18	12,199	12,199
Profit and Loss Account	18	7,837	8,796
		£20,787	£21,746

The Financial Statements were approved by the Board on 9th January 2001 and signed on its behalf by



.....
R. Tager QC - Director



.....
A.E. Perelman - Director

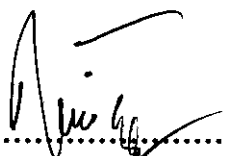
The notes on pages 11 to 23 form part of these Financial Statements.

GREENQUEST LIMITED

BALANCE SHEET AS AT 31 MARCH 2000

	Notes	<u>2000</u> £'000	£'000	<u>1999</u> £'000	£'000
FIXED ASSETS					
Investments	11		649		647
CURRENT ASSETS					
Debtors	13	15,362		16,041	
CREDITORS: Amounts falling due within one year	14	(15,358)		(16,035)	
NET CURRENT ASSETS			4		6
NET ASSETS			£653		£653
CAPITAL AND RESERVES					
Called up Share Capital	17		625		625
Share Premium Account			28		28
			£653		£653

The Financial Statements were approved by the Board on 9th January 2001 and signed on its behalf by


.....
R. Tager QC - Director


.....
A.E. Perelman - Director

The notes on pages 11 to 23 form part of these Financial Statements.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	Notes	<u>2000</u>	<u>1999</u>
		£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	22(i)	(3,859)	617
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received		46	78
Interest Paid		(270)	(273)
Net Cash (Outflow) from Returns on Investments and Servicing of Finance		(224)	(195)
		(4,083)	422
TAXATION			
Corporation Tax Paid		(338)	(509)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire Fixed Assets		(86)	(73)
Receipts from sale of Fixed Assets		4,603	43
Net Cash Inflow/(Outflow) from Investing Activities		4,517	(30)
EQUITY DIVIDENDS PAID		(2,278)	(964)
NET CASH (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(2,182)	(1,081)
MANAGEMENT OF LIQUID RESOURCES AND FINANCING			
Repayments of Mortgage Loans		-	(1,142)
Net Cash (Outflow)/Inflow from financing		-	(1,142)
(DECREASE)/INCREASE IN CASH	22(ii),(iii)	£(2,182)	£(2,223)

The notes on pages 11 to 23 form part of these Financial Statements.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Group's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards except for the policy of accounting for investment properties referred to in note 1.2 below.

1.2 INVESTMENT PROPERTIES

The majority of the Group's investment properties were revalued in December 1998 by Colleys Professional Services Surveyors & Valuers. The remainder of the Group's investment properties are included in the balance sheet at historical cost, which is not in accordance with Statement of Standard Accounting Practice No.19, which requires such properties to be stated at their open market value.

The costs of short leasehold properties having an unexpired term of less than 20 years are amortised over their lease terms.

1.3 DEPRECIATION

Depreciation is provided on all Tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life. The depreciation rates used on a reducing balance basis are as follows:

Farm Buildings	5%
Furniture, Fixtures and Fittings	Between 10% and 30%
Motor Vehicles	25%

Depreciation is provided on leasehold investment properties as described above.

1.4 ACQUISITIONS AND DISPOSALS OF PROPERTIES

Acquisitions and Disposals are considered to have taken place at the date of legal completion and are included in the Financial Statements accordingly.

1.5 GOVERNMENT GRANTS

Grants received in respect of capital expenditure are treated as deferred income in the balance sheet and re credited to the profit and loss account over the expected useful economic life of the related asset consistent with the policies shown in Note 1.4. Other grants are credited against the revenue expenditure to which they relate in the profit and loss account.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

3. OPERATING PROFIT

This is stated after charging	<u>2000</u> £'000	<u>1999</u> £'000
Directors' Remuneration	194	104
Auditors' Remuneration	45	26
Depreciation of owned Fixed Assets	17	19

During the year £28,083 was charged in relation to the audit of the company's Parent Undertaking £5,623 was underprovided in previous years in relation to audit fees.

4. DIRECTORS EMOLUMENTS

	<u>2000</u> £'000	<u>1999</u> £'000
Remuneration	194	104
Social Security Costs	21	11
Other Benefits	-	4
	£215	£119

5. STAFF COSTS

	<u>2000</u> £'000	<u>1999</u> £'000
Wages and Salaries	353	438
Social Security Costs	31	41
Other Pension Costs	1	3
	£385	£482

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

	<u>2000</u> No.	<u>1999</u> No.
Sales & Administration	10	11
Production	18	18
	28	29

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

6. EXCEPTIONAL ITEMS

The Group

	<u>2000</u> £'000	<u>1999</u> £'000
Recognised below operating profit:		
Surplus on disposal of Investment Properties	1,136	33
Receipt from sale of option to purchase farmland	-	7
Loss on Sale of Investments	(50)	-
	£1,086	£40
Taxation charge relating to the exceptional items recognised below operating profit	£275	£ -

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2000</u> £'000	<u>1999</u> £'000
On loans repayable within 5 years:		
Bank Loans and Overdrafts	268	188
On loans repayable after more than 5 years:		
By Instalments	4	83
Interest on Overdue Tax	-	2
	£272	£273

8. TAXATION

	<u>2000</u> £'000	<u>1999</u> £'000
Taxation based on the profit for the year:		
UK Corporation Tax	876	183
Over provision in prior year	(12)	(1)
Transfer from Deferred Taxation	-	(3)
	£864	£179

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

9. DIVIDENDS

	<u>2000</u> £'000	<u>1999</u> £'000
Proposed:		
On Ordinary Shares	£2,042	£500

10. TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Total £'000
Cost:				
At 1 April 1999	19,656	145	55	19,856
Additions	60	35	-	95
Disposals	(3,520)	-	(29)	(3,549)
At 31 March 2000	£16,196	£180	£26	£16,402
Depreciation:				
At 1 April 1999	51	95	42	188
Charge for the year	4	12	1	17
Eliminated on Disposal	-	-	(22)	(22)
At 31 March 2000	£55	£107	£21	£183
Net Book Value:				
At 31 March 2000	£16,141	£73	£5	£16,219
At 31 March 1999	£19,605	£50	£13	£19,668

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

10. TANGIBLE FIXED ASSETS (Cont'd)

The net book value of land and buildings comprises:

	<u>2000</u> £'000	<u>1999</u> £'000
Investment Properties:		
Freehold at Open Market Value	15,208	18,462
Freehold and leasehold (at cost)	-	245
Short leasehold (at cost less amortisation)	14	15
Other Properties		
Freehold (at cost less amortisation)	919	883
	£16,141	£19,605

11. INVESTMENTS

	<u>2000</u> £'000	<u>1999</u> £'000
Shares in subsidiary undertakings (at cost)	£649	£647

Shareholdings in the company's subsidiaries, their principal activities and country of incorporation are as follows:

Name of Subsidiary	Country of Incorporation	Description of Shareholding	Percentage Shareholding	Principal Activity
Romeo Trading Company Ltd. (Sold to Faircastle Limited on 3rd August 1999)	England and Wales	£1 Ordinary Shares	100%	Wholesale of Clothing and Related Accessories
Hatch Farm Dairies Ltd.	England and Wales	£1 Ordinary Shares	100%	Farming and Property Inv.
Lanbury Ltd.	England and Wales	£1 Ordinary Shares	100%	Property Investment
Gayway Properties Ltd.	England and Wales	5p Ord. Shares 5p 6% Preference Shares	100%	Property Investment

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

11. INVESTMENTS (Cont'd)

Name of Subsidiary	Country of Incorporation	Description of Shareholding	Percentage Shareholding	Principal Activity
Gazelock Ltd.	England and Wales	£1 Ordinary Shares	100%	Property Investment
Rivergrove Ltd.	England and Wales	£1 Ordinary Shares	100%	Property Investment
Faircastle Ltd.	England and Wales	£1 Ordinary Shares	100%	Property Investment
Springmanor Ltd.	England and Wales	£1 Ordinary Shares	100%	Property Investment

12. STOCKS

	<u>2000</u> £'000	<u>1999</u> £'000
Clothing and Related Accessories	4,439	4,233
Livestock and Farm Produce	5	3
	£4,444	£4,236

The Directors are of the opinion that under normal trading conditions the stocks held are capable of realising amounts significantly in excess of their book value.

13. DEBTORS

<u>The Group</u>	<u>2000</u> £'000	<u>1999</u> £'000
Trade Debtors	1,567	703
Other Taxation Recoverable	2	106
Other Debtors and Prepayments	4,615	513
Advance Corporation Tax	264	253
	£6,448	£1,575

Other Debtors include £4,548,164 due from related companies, see Note 21.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

13. DEBTORS (Cont'd)

The Company

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Amounts due from Subsidiary Undertakings	15,359	15,352
Other Debtors and Prepayments	3	3
Dividends Receivable	-	686
	£15,362	£16,041

Amounts due from Subsidiary Undertakings are subject to contractual obligations and, as such are not necessarily receivable within one year.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The Group

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Bank Loans & Overdrafts	5,037	1,835
Current Instalments of Mortgage Loans	-	50
Trade Creditors	99	190
Corporation Tax	876	151
Advance Corporation Tax Payable	-	188
Other Taxes & Social Security	85	79
Directors' Loan Accounts	93	17
Other Creditors and Accruals	288	171
Unpaid Dividends	-	186
Proposed Dividends	450	500
	£6,928	£3,367

The Company

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Amount due to Subsidiary Undertakings	15,354	15,345
Sundry Creditors	4	4
Unpaid Dividends	-	186
Proposed Dividend	-	500
	£15,358	£16,035

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Continued)

Amounts due from Subsidiary Undertakings are subject to contractual obligations and, as such are not necessarily receivable within one year.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The Group

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Bank/Mortgage Loan: repayable after more than 5 years by instalments	£544	£700

See Note 16.

16. BANK/MORTGAGE LOANS

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Amounts Repayable:		
Within one year	103	50
Within two to five years	414	254
After five years	130	446
	£647	£750

The bank loan is secured on a specific freehold property asset of the Group included at cost in the Balance Sheet at 31 March 2000 at £0.854 million.

17. CALLED UP SHARE CAPITAL

	Authorised and Allotted		Allotted, called up and fully paid	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	No.	No.	£'000	£'000
Ordinary Shares of £1 each	567,950	567,950	568	568
Ordinary Shares of 10p each	567,950	567,950	57	57
			£625	£625

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

18. RESERVES

	Share Premium	Capital Reserve	Revaluation Reserve	Profit and Loss Account	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 1999	28	98	12,199	8,796	21,121
Transfer from Profit and Loss Account	-	-	-	(959)	(959)
Balance at 31 March 2000	£28	£98	£12,199	£7,837	£20,162

The issued Share Capital at 31 March 2000 was £625,000.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u> £'000	<u>1999</u> £'000
Profit for the financial year	1,083	792
Dividends	(2,042)	(500)
Net (Reduction in)/Addition to Shareholders' funds	(959)	292
Other Recognised Gains	-	12,199
Opening Shareholders' funds	21,746	9,255
Closing Shareholders funds	£20,787	£21,746

20. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

21. RELATED PARTY TRANSACTIONS

Management of the Group's properties was carried out by, inter alia, Rotherstead Limited and Observatory Gardens Estate Office Limited of which Messrs M. Grosskopf & A E Perelman are directors, and Dialaid Limited, of which Mr M. Grosskopf is a director. Amounts aggregating £Nil (1999: £52,813) were charged by these companies in these financial statements. At the Balance Sheet date, £1,339 was due to Rotherstead Limited, £53,023 was due to Observatory Gardens Estate Office Limited and £Nil was due to Dialaid Limited.

Management was also carried out by Pidom Export Limited a company of which Mr O Tager is a director. Amounts aggregating £2,650 were charged by this company. At the balance sheet date £157,531 was due from this company.

During the year the Romeo Trading Company Limited provided goods to and received goods from L. Cohen (Clothing) Limited (t/a Cobles) and Tollshunt Limited, on commercial terms, resulting in a net aggregate charge of £154,718 (1999 - £168,733) by this Company. Additionally, Romeo Trading Company Limited received services during the year, on commercial terms, from Pidom Export totalling £52,500 (1999 - £50,000).

At the Balance Sheet date the following amounts were owed to Romeo Trading Company Limited: -

	<u>31.3.2000</u>	<u>31.3.1999</u>
	£	£
L. Cohen (Clothing) Limited	69,914	39,355
Pidom Export Limited	10,000	37,500
Solev Co. Limited	45,000	-
Perma Limited	9,000	-

During the period Faircastle Limited received services on commercial terms totalling £71,959 from Pidom Export Limited.

During the period Faircastle Limited provided finance to Spillington Limited for which it charged £39,017 based on the same commercial rate of interest as it is charged by its bankers.

During the period Faircastle Limited provided security to Busyglen Limited, as set out in Note 21 on the following page.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

21. RELATED PARTY TRANSACTIONS (Continued)

At the Balance Sheet date the following amounts were owed to/(owed by) Faircastle Limited:-

	£
Spillington Limited	1,561,411
Pidom Export Limited	694,833
Solev Co. Limited	101,937
Perma Limited	440,000
Oaklawn Limited	608,494
Busyglen Limited	340,840
Roughlea Properties Limited	110,000
Barnford Industries Limited	130,000
Leverin Limited	35,868
Goodacre Limited	288,250
Hexgold Limited	(35,696)

Faircastle Limited has provided one of its freehold investment properties as part of the security for a mortgage for a related Company, Busyglen Limited. This property is included in the financial statements at its book cost of £610,000.

22. CASH FLOW STATEMENT

	<u>2000</u> £'000	<u>1999</u> £'000
(i) RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
Operating Profit	1,087	1,126
Depreciation	18	19
(Increase) in Stocks	(208)	(1,221)
(Increase)/Decrease in Debtors	(4,862)	810
Increase/(Decrease) in Creditors	106	(117)
Net Cash Inflow from Operating Activities	<u>£(3,859)</u>	<u>£617</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

22. CASH FLOW STATEMENT

	<u>2000</u>	<u>1999</u>
	£'000	£'000
(ii) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		
(Decrease)/Increase in Cash in the Period	(2,231)	(2,223)
Repayment of Mortgage Loans	49	1,142
Movement in Net Debt in the Period	(2,182)	(1,081)
Net Funds at 1 April 1999	(2,250)	(1,169)
Net (Debt) at 31 March 2000	£(4,432)	£(2,250)

(iii) ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1 April 1999 £'000	Cash Flow £'000	At 31 March 2000 £'000
Cash at Bank and in Hand	334	814	1,148
Overdrafts	(2,535)	(3,045)	(5,580)
	(2,201)	(2,231)	(4,432)
Mortgage Loans	(49)	49	-
	£(2,250)	£(2,182)	£(4,432)