

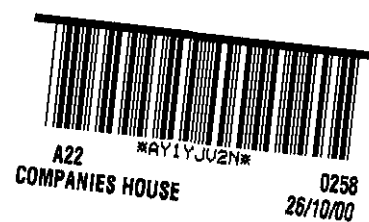
REGISTRARS COPY



SOLENT PROJECTS LIMITED

FINANCIAL STATEMENTS

29TH FEBRUARY 2000



SOLENT PROJECTS LIMITED

FINANCIAL STATEMENTS

For the year ended 29th February 2000

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7 - 10

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
Schedule to the trading and profit and loss account	Appendix 2

SOLENT PROJECTS LIMITED**COMPANY INFORMATION****29th February 2000**

NUMBER	1867006
DIRECTORS	P. G. Lister S. H. Tizzard
SECRETARY	S. H. Tizzard
REGISTERED OFFICE	National Westminster Bank Chambers 59 Station Road New Milton Hampshire BH25 6JB
AUDITORS	Willis Parsons National Westminster Bank Chambers 59 Station Road, New Milton, Hants. BH25 6JB

SOLENT PROJECTS LIMITED**DIRECTORS' REPORT****For the year ended 29th February 2000**

The directors present their report and the audited financial statements for the year ended 29th February 2000.

Principal activity

The principal activity of the company continues to be that of property dealing and letting and the chartering, hiring and retailing of motor vehicles.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	29th February 2000	1st March 1999
	Ordinary	Ordinary
	shares	shares
P. G. Lister	50	50
S. H. Tizzard	50	50

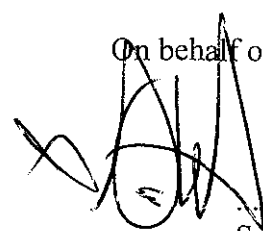
Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Willis Parsons will continue in office.

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 and The Financial Reporting Standard For Smaller Entities.

On behalf of the board



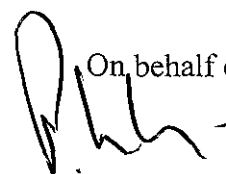
.....
S. H. Tizzard
Secretary

SOLENT PROJECTS LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES****For the year ended 29th February 2000**

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 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.



On behalf of the board

.....
P. G. Lister
Director

SOLENT PROJECTS LIMITED**AUDITORS' REPORT****For the year ended 29th February 2000****Auditors' report to the members of Solent Projects Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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.

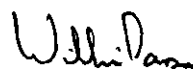
Basis of opinion

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 error or other irregularity. 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 29th February 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



National Westminster Bank Chambers,
59 Station Road,
New Milton,
Hampshire.
BH25 6JB.

Willis Parsons
Registered Auditors

Date.....25th September 2000

SOLENT PROJECTS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 29th February 2000

	Note	2000 £	1999 £
Turnover	2	520,766	29,357
Cost of sales		(448,087)	(19,007)
Gross profit		<u>72,679</u>	<u>10,350</u>
Net operating expenses			
Administrative expenses		(52,185)	(66,594)
Operating profit/(loss)	2	<u>20,494</u>	<u>(56,244)</u>
Other income	3	99,931	103,200
Interest payable		(43,457)	(43,535)
Profit on ordinary activities before taxation		<u>76,968</u>	<u>3,421</u>
Taxation	4	(13,864)	(205)
Profit on ordinary activities After taxation		<u>63,104</u>	<u>3,216</u>
Dividends	5	(24,000)	-
Profit on ordinary activities after taxation retained for the year	12	<u><u>39,104</u></u>	<u><u>3,216</u></u>

Movements in reserves are shown in note 12.

SOLENT PROJECTS LIMITED

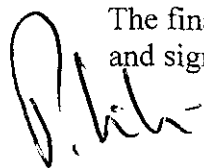
BALANCE SHEET

As at 29th February 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	6	1,326,033	973,343
Current assets			
Stocks		27,760	394,917
Debtors	7	57,573	73,711
		<u>85,333</u>	<u>468,628</u>
Creditors: amounts falling due within one year	8	(260,849)	(450,366)
Net current (liabilities)/assets		<u>(175,516)</u>	<u>18,262</u>
Total assets less current liabilities		<u>1,150,517</u>	<u>991,605</u>
Creditors: amounts falling due after more than one year	9	(626,000)	(510,000)
Provision for liabilities and charges	10	(4,526)	(718)
		<u>519,991</u>	<u>480,887</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	519,891	480,787
Total shareholders' funds		<u>519,991</u>	<u>480,887</u>

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

The financial statements on pages 5 to 11 were approved by the board of directors on 22nd September 2000 and signed on its behalf by:



.....
P. G. Lister
Director

SOLENT PROJECTS LIMITED**NOTES ON FINANCIAL STATEMENTS****29th February 2000****1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules except for freehold property which is stated at valuation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

No depreciation is provided on freehold buildings. The company follows a programme of regular refurbishment and maintenance of its property, which includes the reinstatement of the fabric of the building, where necessary, in order to maintain it to a high standard. Accordingly in the opinion of the directors any element of depreciation would be immaterial and no provision has been made. The cost or valuation of the other tangible fixed assets is written off their expected useful lives using the following methods at the following rates:

Plant and Machinery	15% reducing balance
Motor Vehicles	25% reducing balance

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. In the case of work in progress, cost comprises direct materials, direct labour, and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Going Concern

The Balance Sheet shows the company to have a deficit of current assets against liabilities and thus to be insolvent. The accounts have been prepared on a going concern basis, assuming the continued support of the directors and of the bank, which we understand to be forthcoming.

SOLENT PROJECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

29th February 2000

2 Operating profit/(loss)

	2000	1999
	£	£
Operating profit/(loss) is stated after charging:		
Vehicle leasing	6,117	5,375
Auditors remuneration	2,975	2,200
Depreciation of tangible fixed assets (note 6) owned assets	2,591	2,749
	<u> </u>	<u> </u>

3 Other income

	2000	1999
	£	£
Net rental income	114,882	95,709
Profit on disposal of property	-	7,141
Bank interest receivable	42	350
Profit on sale of wine	362	-
Net helicopter charter income	(15,355)	-
	<u> </u>	<u> </u>
	99,931	95,709
	<u> </u>	<u> </u>

4 Taxation

	2000	1999
	£	£
Corporation tax on profit on ordinary activities	9,842	(366)
Deferred Taxation	3,807	100
Under provision in earlier years	215	471
	<u> </u>	<u> </u>
	13,864	205
	<u> </u>	<u> </u>

5 Dividends

	2000	1999
	£	£
Dividend	24,000	-
	<u> </u>	<u> </u>
Ordinary interim at £240 per share (1999 – nil).		

SOLENT PROJECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

29th February 2000

6 Tangible fixed assets

	Land and Buildings £	Plant and Machinery £	Total £
Cost			
1st March 1999	961,206	43,559	1,004,765
Additions	273,954	81,327	355,281
29th February 2000	1,235,160	124,886	1,360,046
Depreciation			
1st March 1999	-	31,422	31,422
Charge for the year	-	2,591	2,591
29th February 2000	-	34,013	34,013
Net book amount			
29th February 2000	1,235,160	90,873	1,326,033
1st March 1999	961,206	12,137	973,343

The directors consider the assets to have at least that value shown above

7 Debtors

	2000 £	1999 £
Other debtors	57,573	73,711

8 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank overdrafts	178,266	352,723
Trade creditors	5,885	6,128
Corporation tax	9,842	9,634
Other taxation and social security	1,207	984
Other creditors	65,649	80,897
	260,849	450,366

All bank borrowing is secured.

SOLENT PROJECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

29th February 2000

9 Creditors: amounts falling due
after more than one year

	2000 £	1999 £
Bank loans	626,000	500,000
Other creditors	-	10,000
	<u>626,000</u>	<u>510,000</u>
Maturity of debt included above		
In one year or less, or on demand	-	-
In five years or more	<u>626,000</u>	<u>510,000</u>

10 Deferred taxation

	2000 £	1999 £
Corporation tax deferred by		
Accelerated Capital Allowances	<u>4,526</u>	<u>718</u>

11 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
£1 ordinary shares	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted called up and fully paid				
£1 ordinary shares	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

There were no changes during the year.

SOLENT PROJECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

29th February 2000

12 Profit and loss account

	2000 £
1st March 1999	480,787
Retained profit for the year	39,104
29th February 2000	519,891

13 Leasing Commitments

The following leasing commitments were outstanding at the balance sheet date.

	2000	1999
Due in one year	6,117	6,117
Due in two to five years	2,549	8,666
Due over five years	-	-
	8,666	14,783

14 Related parties

Included in other debtors are amounts due to the company of £40,385 (1999 - £40,385), £98 (1999 - £98) and nil (1999 - 20,000) from Solreed Limited, Sureed Limited and Solent Projects (Southern) Limited respectively, companies to which P.G. Lister also holds directorships.

At the balance sheet date Solent Projects (Southern) Limited was owed £5,000 (1999 - nil), which has been included in other creditors. The company also incurred management charges from this company of £15,000 (1999 - £19,708).

Also included in other creditors is a loan of £25,000 (1999 - nil) from Bisterne Developments Limited of which S.H. Tizzard is a director. In addition these companies undertake general trading activities with each other.