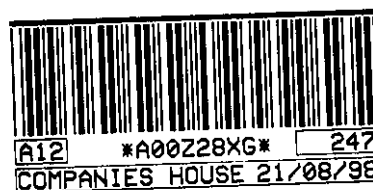


Newchase Limited

Annual Report

for the year ended 31 March 1998

Registered No: 1985607



Newchase Limited

Annual Report for the year ended 31 March 1998

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Newchase Limited

Directors' report for the year ended 31 March 1998

The directors submit their report and the audited financial statements for the year ended 31 March 1998.

Principal activities and review of business

The profit and loss account for the year is set out on page 4.

The principal activity of the company continued to be that of property development.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Directors

The directors of the company at 31 March 1998, both of whom have been directors for the whole of the year ended on that date, are listed below:

W W Rhodes
B Money

Directors' interests

The interests of the directors of the company in the shares of the company at 31 March 1998 together with their interests at 1 April 1997 were:

	31 March 1998 Number	1 April 1997 Number
Ordinary shares of £1 each		
W W Rhodes	82,068	82,068

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that 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.

Newchase Limited

Directors' report for the year ended 31 March 1998

Directors' responsibilities (continued)

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1998. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Our auditors Coopers & Lybrand merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm PricewaterhouseCoopers as auditors to the company.

Elective resolutions

Elective resolutions were passed by the members on 13 December 1991 whereby the company has dispensed with the laying accounts and reports before the company in general meeting; has dispensed with the holding of annual general meetings and has dispensed with the obligation to appoint auditors annually.

By order of the board


W W Rhodes
Company Secretary

Report of the auditors to the members of Newchase Limited

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

**PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Derby**

15 August 1998

Newchase Limited

Profit and loss account for the year ended 31 March 1998

	Notes	1998 £	1997 £
Turnover	1	-	300,000
Cost of sales		-	(228,051)
Gross profit		-	71,949
Net operating expenses	2	(16,457)	(19,255)
Operating (loss)/profit		(16,457)	52,694
Other operating income		116,525	75,260
Net interest payable and similar charges	5	(36,855)	(34,523)
Profit on ordinary activities before taxation	6	63,213	93,431
Tax on profit on ordinary activities	7	(14,000)	(4,794)
Retained profit for the financial year	13	49,213	88,637

The company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains or losses has been presented.

There is no difference between profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

All amounts relate to continuing operations.

Newchase Limited

Balance sheet at 31 March 1998

	Notes	1998 £	1997 £
Current assets			
Stock	8	807,481	807,481
Debtors	9	6,120	9,472
		<u>813,601</u>	<u>816,953</u>
Creditors: amounts falling due within one year	10	(282,918)	(327,149)
		<u>530,683</u>	<u>489,804</u>
Net current assets			
Creditors: amounts falling due after one year	11	(194,208)	(202,542)
		<u>336,475</u>	<u>287,262</u>
Net assets			
Capital and reserves			
Called up share capital	12	126,668	126,668
Profit and loss account	13	209,807	160,594
		<u>336,475</u>	<u>287,262</u>
Equity shareholders' funds	14		
		<u>336,475</u>	<u>287,262</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 12 August 1998 and were signed on its behalf by:


W W Rhodes
Director

Newchase Limited

Notes to the financial statements year ended 31 March 1998

1 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 have been prepared under the historical cost convention.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement as required by FRS 1 as it qualifies as a small company.

Turnover

Turnover is the invoiced value of properties sold excluding VAT and consists entirely of sales made in the United Kingdom.

Deferred taxation

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost comprises direct expenditure.

2 Net operating expenses

	1998 £	1997 £
Administrative expenses	16,457	19,255

3 Directors' emoluments

The directors received no remuneration in respect of their services to the company (1997 : £Nil).

4 Employee information

The company had no employees during the year (1997 : None).

Newchase Limited

Notes to the financial statements year ended 31 March 1998

5 Net interest and similar charges

	1998 £	1997 £
Interest payable on bank loans and overdrafts	(37,540)	(34,523)
Sundry interest receivable	685	-
	<u>(36,855)</u>	<u>(34,523)</u>

6 Profit on ordinary activities before taxation

	1998 £	1997 £
Profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration	1,187	1,250
	<u>1,187</u>	<u>1,250</u>

7 Tax on profit on ordinary activities

	1998 £	1997 £
United Kingdom corporation tax at 21% (1997: 23%)		
Current	14,000	10,914
Deferred	-	(6,120)
	<u>14,000</u>	<u>4,794</u>

Newchase Limited

Notes to the financial statements year ended 31 March 1998

8 Stock

	1998 £	1997 £
Work in progress	807,481	807,481

9 Debtors

	1997 £	1996 £
Amounts falling due within one year:		
Trade debtors	-	207
Other debtors	-	3,145
Deferred taxation	6,120	6,120
	6,120	9,472

10 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdraft (note 11)	194,538	233,346
Bank loan (note 11)	9,715	11,804
Directors' current account	33,333	33,333
Accruals and deferred income	31,332	32,785
Corporation tax payable	14,000	10,912
Sundry creditor	-	4,969
	282,918	327,149

Newchase Limited

Notes to the financial statements year ended 31 March 1998

11 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Bank loan	194,208	202,542
	<u> </u>	<u> </u>
	1998 £	1997 £
Bank loans		
repayable as follow:		
In one year or less	9,715	11,804
Between one and two years	10,612	12,358
Between two and five years	38,099	43,878
Five years or more	145,497	146,306
	<u> </u>	<u> </u>
	203,923	214,346
	<u> </u>	<u> </u>

The bank loan and overdraft are secured by a legal charge over property held in work in progress.

The loan is repayable by monthly instalments of £2,381 and carries interest at a rate of 2% above base rate, subject to a minimum rate of 6% per annum.

12 Share capital

	1998 £	1997 £
Authorised		
250,000 Ordinary shares of £1 each	250,000	250,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
126,668 Ordinary shares of £1 each	126,668	126,668
	<u> </u>	<u> </u>

13 Profit and loss account

	£
At 1 April 1997	160,594
Profit for the year	49,213
	<u> </u>
At 31 March 1998	209,807
	<u> </u>

Newchase Limited

Notes to the financial statements year ended 31 March 1998

14 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Opening shareholders' funds	287,262	198,625
Profit for the financial year	49,213	88,637
Closing shareholders' funds	336,475	287,262

15 Related party transactions

Other creditors include a loan made to the company of £33,333 by W W Rhodes, a shareholder and director. The loan is interest free, unsecured and repayable on demand.

Work in progress consists of development properties purchased from a company in which B Money, a director of Newchase Limited, has a material interest.

The accounts include consultancy fees of £10,000 (1997 : £10,000) paid to Chase (Design and Build) Limited, a company in which B Money has a material interest as a shareholder.

16 Ultimate controlling party

W W Rhodes is the ultimate controlling party by virtue of his controlling interest in the company's equity capital.