

NEWCHASE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2004

Registered Number: 1985607



Newchase Limited

Annual report for the year ended 31 March 2004

Contents

Directors' report for the year ended 31 March 2004.....	1
Independent auditors' report to the members of Newchase Limited.....	3
Profit and loss account for the year ended 31 March 2004.....	4
Balance sheet as at 31 March 2004	5
Notes to the financial statements for the year ended 31 March 2004	6
Detailed profit and loss account for the year ended 31 March 2004	11

Newchase Limited

Directors' report for the year ended 31 March 2004

The directors present their report together with the audited financial statements for the year ended 31 March 2004.

Principal activities and review of the 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 2004, 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' interest

The interests of the directors of the company in the shares of the company at 31 March 2004 together with their interests at 31 March 2003 were:

	2004 Number	2003 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 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 year.

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 2004. 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.

Newchase Limited

Elective resolutions

Elective resolutions were passed by the members on 13 December 1991 whereby the company has dispensed with the laying of 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

Newchase Limited

Independent auditors' report to the members of Newchase Limited

We have audited the financial statements of Newchase Limited for the year ended 31 March 2004 on pages 4 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

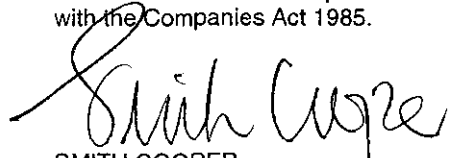
Basis of audit Opinion

We conducted our audit in accordance with United Kingdom 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 judgments made by the directors in the preparation of the financial statements, and 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SMITH COOPER
Register Auditors and Chartered Accountants
DERBY

1 June 2004

Newchase Limited

Profit and loss account for the year ended 31 March 2004

	Note	2004 £	2003 £
Turnover	1	-	-
Cost of sales		-	-
Gross profit		-	
Net operating expenses	2	(54,458)	(33,991)
Operating (loss)		(54,458)	(33,991)
Other operating income		66,689	228,750
Interest receivable		6,053	-
Interest payable and similar charges	5	(13,468)	(8,421)
Profit on ordinary activities before taxation	6	4,816	186,338
Taxation on profit on ordinary activities	7	98	(37,850)
Retained profit for the financial year	13	4,914	148,488

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.

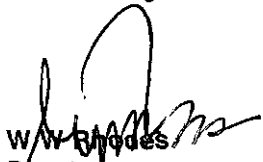
All amounts relate to continuing operations.

Newchase Limited

Balance sheet as at 31 March 2004

	Note	2004 £	2003 £
Current assets			
Stocks	8	1,053,796	1,018,657
Debtors	9	3,000	28,729
Cash at bank		300,000	-
		1,356,796	1,047,386
Creditors: amounts falling due within one year	10	(365,962)	(138,668)
Net current assets		990,834	908,718
Creditors: amounts falling due after one year	11	(226,943)	(149,741)
Net assets		763,891	758,977
Capital and reserves			
Called up share capital	12	126,668	126,668
Profit and loss account	13	637,223	632,309
Equity shareholders' funds	14	763,891	758,977

The financial statements on pages 4 to 10 were approved by the board of directors on 1 June 2004 and were signed on its behalf by.


W.W. Rhodes
Director

Newchase Limited

Notes to the financial statements for the year ended 31 March 2004

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 using currently enacted tax rates. No discounting is applied to the deferred tax timing differences.

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

	2004	2003
	£	£
Administrative expenses	54,458	33,991

3 Directors' emoluments

The directors received no remuneration in respect of their services to the company (2003: £Nil).

4 Employee information

The company had no employees during the year (2003: None).

Newchase Limited

5 Interest payable and similar charges

	2004	2003
	£	£
Interest payable on bank loans and overdrafts	13,468	8,421

6 Profit on ordinary activities before taxation

	2004	2003
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration	850	800

7 Taxation on profit on ordinary activities

	2004	2003
	£	£
Current tax:		
United Kingdom corporation tax on profit of the period	-	35,500
Adjustment in respect of previous periods	98	(770)
Total current tax	98	34,730
Deferred tax:		
Origination and reversal of timing differences	-	3,120
Taxation on profit on ordinary activities	98	37,850

The tax assessed for the period is lower than the standard rate of UK corporation tax (19%). The differences are explained below:

	2004	2003
	£	£
Profit on ordinary activities before tax	4,816	186,338
Profit on ordinary activities multiplied by effective rate in the UK 0% (2003: 19%)	-	35,500
Effects of:		
Adjustments to tax charge in respect of previous period	98	(770)
Current tax charge for the period	98	34,730

Newchase Limited

8 Stock

	2004 £	2003 £
Work in progress	1,053,796	1,018,657

9 Debtors

	2004 £	2003 £
Amounts falling due within one year:		
Deferred taxation (note 15)	3,000	3,000
Other debtors	-	25,729
	3,000	28,729

10 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft (note 11)	9,404	32,410
Bank loan (note 11)	34,483	38,508
Directors loan (note 17)	300,000	-
Accruals and deferred income	22,075	32,250
Corporation tax payable	-	35,500
	365,962	138,668

11 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Bank loan	226,943	149,741
Bank loan repayable as follows:		
In one year or less	34,484	38,508
Between one and two years	36,380	40,626
Between two and five years	190,563	109,115
	261,427	188,249

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

The loan is repayable over 90 months by equal monthly instalments of £4,072 and carries interest at a rate of 1.5% above base rate.

Newchase Limited

12 Called up share capital

	2004 £	2003 £
Authorised		
250,000 Ordinary shares of £1 each	250,000	250,000
Allotted, called up and fully paid		
126,668 Ordinary shares of £1 each	126,668	126,668

13 Profit and loss account

	£
At 1 April 2003	632,309
Profit for the year	4,914
At 31 March 2004	637,223

14 Reconciliation of movement in shareholders' funds

	2004 £	2003 £
Opening shareholders' funds	758,977	610,489
Profit for the financial year	4,914	148,488
Closing shareholders' funds	763,891	758,977

15 Deferred taxation

	£
At 1 April 2003 and 31 March 2004	3,000

	2004 £	2003 £
Deferred taxation comprises:		
Short-term timing differences	3,000	3,000

16 Capital commitments

	2004 £	2003 £
Contracts placed for future capital expenditure not provided in the financial statements	-	71,000

17 Related party transactions

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 £19,000 (2003: £14,500) paid to Vitalforce (FM) Limited, a company in which B Money has a material interest as a shareholder. There was £Nil outstanding at 31 March 2004 (2003: £2,000).

During the year W W Rhodes made a loan of £300,000 to the Company. This loan is unsecured, interest free and has no fixed repayment date. The balance outstanding at the year end was £300,000.

18 Ultimate controlling party

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