
Project Genesis Limited

Financial Statements

for the year ended 30th June 1999



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Chairman

J W Fawcett

Registered Office

Woodthorpe Hall
Old Tupton
Chesterfield
Derbyshire
S42 6HJ

Executive Directors

J W Fawcett
Mrs C W Fawcett
Emeritus Professor B Smythe
A Hill

Secretary

Mrs C W Fawcett

Auditors

Mitchells Chartered Accountants
95 Saltergate
Chesterfield
Derbyshire
S40 1LA

Bankers

Royal Bank of Scotland PLC
5 Church Street
Sheffield
S1 1HF

Solicitors

Dibb Lupton Alsop
Robert Muckle
Clifford Chance

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1 and 2	Directors' Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6 to 10	Notes to the Financial Statements

The directors submit their report together with the audited financial statements for the year ended 30th June 1999.

The trading loss for the year after taxation was £- all of which has been transferred to reserves.

The directors do not recommend the payment of a dividend.

Principal activity

The principal activity of the company is the regeneration and development of sites adjoining the town centre of Consett, including the 700 acre site known as Berry Edge.

Directors and their interests

The directors of the company at 30th June 1999, all of whom have been directors for the whole period, except as noted, were as follows:

'A' Directors - J W Fawcett

Mrs C W Fawcett

'B' Directors - Emeritus Professor B Smythe

A Hill

In accordance with the 'Shareholders Agreement', the day to day activities of the company are vested in an executive committee which comprises the 'A' Directors.

The directors had no direct interest in the shares of the company at 30th June 1999 or 30 June 1998, according to the register required to be kept by Section 325 of the Companies Act.

Emeritus Professor Smythe and A Hill have an indirect interest in the company by virtue of the fact that they are trustees of Project Genesis Nominees Limited which held 1 'B' share at 30th June 1999.

Mr J W Fawcett and Mrs C W Fawcett each have an interest in 125,000 ordinary shares in Dysart Developments Limited, being 50% each of the total issued share capital in that company.

Also held by Mr and Mrs Fawcett are shares in other group companies. Mr Fawcett owns 1 share in Redshield Investments Limited and 1 share in Lavendebrook Limited. Mr and Mrs Fawcett also own 100 shares in Dysart Developments (Tyne and Wear) Limited, 1 share in Dysart Developments (Newcastle) Limited and 2 shares in FFX Limited.

Cashflow statement

In the opinion of the directors the company qualifies as a small company and as such no cashflow statement has been prepared.

Directors' statement

Company law requires us as 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 we are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

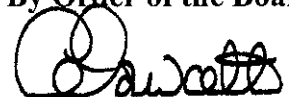
Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

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 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, Mitchells Chartered Accountants, have indicated their willingness to accept re-appointment under Section 385A(2) of the Companies Act 1985.

By Order of the Board:



MRS C W FAWCETT
Secretary

Date: 6th March 2000

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 the directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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 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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 30th June 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Mitchells Chartered Accountants
and Registered Auditors**

Date: 6 March 2000

95 Saltergate
Chesterfield
Derbyshire
S40 1LA

Project Genesis Limited**Profit and Loss Account****for the year ended 30th June 1999**

	Notes	1999 £	1998 £
Turnover	2	120,120	1,230,758
Operating costs		(131,329)	(1,138,357)
Other operating income		11,649	18,737
Operating profit	3	440	111,138
Interest and similar charges	4	(440)	(111,138)
Loss on ordinary activities before taxation		-	-
Retained loss transferred from reserves	12	-	-

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year and all profits/losses have been accounted for on an historical cost basis.

Project Genesis Limited

Balance Sheet

as at 30th June 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible fixed assets	5		168		224
Investments	6		1		1
			<u>169</u>		<u>225</u>
Current assets					
Long term work in progress	8	253,554		188,994	
Debtors	9	612		147,368	
Cash at bank and in hand		119,771		136,848	
		<u>373,937</u>		<u>473,210</u>	
Creditors:					
Amounts falling due within one year	10	376,900		476,229	
Net current liabilities			<u>(2,963)</u>		<u>(3,019)</u>
Total assets less current liabilities			<u>(2,794)</u>		<u>(2,794)</u>
Capital and reserves					
Share capital	11		2		2
Profit and loss account	12		(2,796)		(2,796)
Equity Shareholder Funds			<u>(2,794)</u>		<u>(2,794)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 6th March 2000 and signed upon its behalf by:



J W Fawcett



Mrs C W Fawcett

Directors

The notes on pages 6 to 10 form part of these financial statements.

1 Principal accounting policies

Accounting convention

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation, less estimated residual values of tangible fixed assets by reducing balance method over their expected useful lives. The rates generally applicable are:

Fixtures & fittings	25% - reducing balance
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Group accounts

The company has taken advantage of the legal dispensation allowing it not to prepare and publish group accounts, as it is a wholly owned subsidiary of another United Kingdom registered company.

Investments in subsidiary companies

Investments in subsidiary companies are stated at the cost of acquisition. Provision is made against investments where their value at the balance sheet date is lower than cost.

Long-term contracts

Turnover on long term contracts represents total costs incurred plus attributable profit for each development. Profits are included in the financial statements when a legally binding contract for the sale of the development has been entered into and the outcome of the development can be determined with reasonable certainty. Profits attributable to a financial period are calculated by reference to the proportion of a development's construction costs incurred in that period. Provision is made for losses on long term contracts as soon as such losses become apparent.

The amount by which payments on account exceed turnover is shown under current liabilities and where turnover exceeds payments on account the difference is shown under debtors as amounts recoverable on contracts.

Costs on long term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown as long term work in progress.

Deferred taxation

Provision is made for deferred taxation under the liability method, at the rate of corporation tax ruling at the end of the financial year, except to the extent that any tax reduction will continue for the foreseeable future. In the opinion of the directors the amounts are not material and accordingly no deferred taxation has been provided.

2 Turnover

The turnover and operating loss for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating profit

The operating profit is stated after charging:

	1999 £	1998 £
Auditors remuneration	2,600	2,600
Depreciation on owned assets	56	75

4 Interest payable

	1999 £	1998 £
Bank funding and overdraft facility	440	111,138

5 Tangible fixed assets

	Fixtures & fittings £	Total £
Cost		
At 1st July 1998	398	398
At 30th June 1998	398	398
Depreciation		
At 1st July 1998	174	174
Charged for the year	56	56
At 30th June 1998	230	230
Net book value		
At 30th June 1999	168	168
At 1st July 1998	224	224

30th June 1999

6 Fixed asset investments

Share in Project Genesis (Town Centre) Ltd

	Unlisted share	Total
Cost	£	£
At 1st July 1998	1	1
At 30th June 1999	<u>1</u>	<u>1</u>

7 Principal fixed asset investments

The company holds more than 10% of the share capital of the following:

Name	Country of registration (or incorporation) and operation	Class of share	Proportion held	Nature of business
Subsidiary undertaking: Project Genesis (Town Centre) Limited	England	Ordinary	100%	Property development

At 30th June 1999 Project Genesis (Town Centre) Limited had retained profits of £nil and net assets of £1.

8 Long term work in progress

	1999 £	1998 £
Contract costs	564,312	584,793
Less payments on account	(310,758)	(395,799)
	<u>253,554</u>	<u>188,994</u>

9 Debtors

	1999 £	1998 £
Trade debtors	-	92,625
Amounts owed by related companies	-	35,514
Other debtors	612	312
Prepayments and accrued income	-	18,917
	<u>612</u>	<u>147,368</u>

Notes to the Financial Statements

30th June 1999

10	Creditors: amounts falling due within one year	1999	1998
		£	£
	Trade creditors	213	10,817
	Other creditors	8,741	307
	Amounts owed to related companies	364,586	441,595
	Accruals and deferred income	3,360	23,510
		<u>376,900</u>	<u>476,229</u>
11	Share capital	1999	1998
		£	£
	Authorised ordinary 'A' shares of £1 each	50	50
	Issued and fully paid ordinary 'A' shares of £1 each	<u>1</u>	<u>1</u>
	Authorised ordinary 'B' shares of £1 each	50	50
	Issued and fully paid ordinary 'B' shares of £1 each	<u>1</u>	<u>1</u>
12	Statement of reserves		Profit and Loss Account
			£
	At 1st July 1998		(2,796)
	At 30th June 1999		<u>(2,796)</u>
13	Reconciliation of movements in shareholders' fund	1999	1998
		£	£
	Net (reduction in) shareholders' funds	-	-
	Opening equity shareholders' funds	(2,794)	(2,794)
	Closing equity shareholders' funds	<u>(2,794)</u>	<u>(2,794)</u>
14	Parent company		

The directors consider Dysart Developments Limited, a company incorporated in England and Wales, to be the parent company.

15 Related party transactions

At the year end management charges to the value of £364,586 were owed by Project Genesis Limited to Dysart Developments Limited. This is a company related by common control.

Also at the year end, the company was owed £264 by Dysart Developments (North East) Limited, a company under common control.