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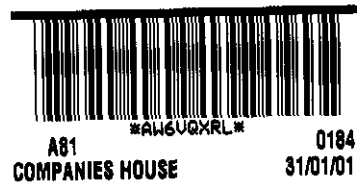
SITEMASTER LIMITED
FINANCIAL STATEMENTS

31st March 2000

Registered number: 2906841

TURPIN BARKER & ARMSTRONG

Sutton



SITEMASTER LIMITED

FINANCIAL STATEMENTS

for the year ended 31st March 2000

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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SITEMASTER LIMITED

COMPANY INFORMATION

31st March 2000

INCORPORATED	England on 10th March 1994
NUMBER	2906841
DIRECTORS	P L Rowe
SECRETARY	C M Rowe
REGISTERED OFFICE	Epicurus House 1 Akehurst Lane Sevenoaks Kent TN13 1JN
BANKERS	Natwest Bank Plc The High Street Southampton
AUDITORS	Turpin Barker & Armstrong Allen House 1 Westmead Road Sutton Surrey SM1 4LA

SITEMASTER LIMITED

DIRECTORS' REPORT

31st March 2000

The directors present their report and the audited financial statements for the year ended 31st March 2000.

Principal activity

The principal activity of the company is that of a property investment company.

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:

	31st March 2000 Ordinary shares	1st April 1999 Ordinary shares
P L Rowe	25,000	1

Share capital**Auditors**

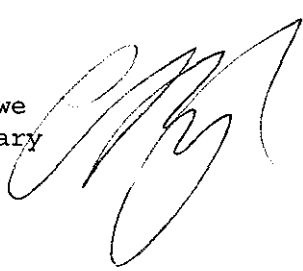
Turpin Barker & Armstrong have agreed to offer themselves for re-appointment as auditors of the company.

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.

On behalf of the board

C M Rowe
Secretary



Epicurus House
1 Akehurst Lane
Sevenoaks
Kent TN13 1JN

25th January 2001

SITEMASTER LIMITED

STATEMENT OF 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 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.

25th January 2001

On behalf of the board


P L Rowe
Director

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SITEMASTER LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Sitemaster Limited

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, 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.

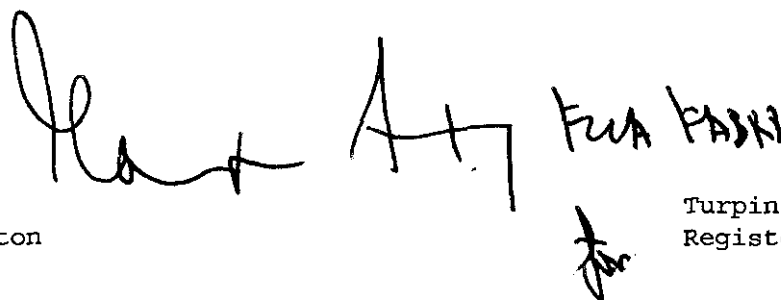
Basis of opinion

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 31st March 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The block contains two handwritten signatures. The signature on the left is 'Sutton' and the signature on the right is 'Turpin Barker & Armstrong'. The signature on the right is written in a stylized, cursive manner.

Sutton

Turpin Barker & Armstrong
Registered Auditors

31 January 2001

SITEMASTER LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st March 2000

	Note	2000 £	1999 £
Net operating expenses			
Administrative expenses		(7,963)	16,271
Other operating income		467	201
Operating (loss)/profit	2	(7,496)	16,472
Interest payable	3	(947)	(4,160)
(Loss)/profit on ordinary activities before taxation		(8,443)	12,312
Taxation	4	-	(466)
(Loss)/profit on ordinary activities after taxation		(8,443)	11,846
retained for the year	12		

Movements in reserves are shown in note 12.

SITEMASTER LIMITED

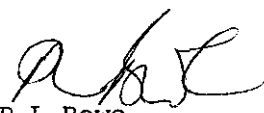
BALANCE SHEET

at 31st March 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	5	11,283	15,043
Current assets			
Stocks	6	1,821,210	-
Debtors	7	31,193	94
Investments	8	-	81,401
Cash at bank and in hand		31,128	41,289
		<u>1,883,531</u>	<u>122,784</u>
Creditors: amounts falling due within one year	9	(942,898)	(123,224)
Net current assets/(liabilities)		<u>940,633</u>	<u>(440)</u>
Total assets less current liabilities		<u>951,916</u>	<u>14,603</u>
Creditors: amounts falling due after more than one year	10	(900,000)	(4,243)
		<u>51,916</u>	<u>10,360</u>
Capital and reserves			
Called up share capital	11	50,000	2
Profit and loss account	12	1,916	10,358
Total shareholders' funds		<u>51,916</u>	<u>10,360</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 with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The financial statements on pages 4 to 10 were approved by the board of directors on 25th January 2001 and signed on its behalf by:


P L Rowe
Director

NOTES ON FINANCIAL STATEMENTS

31st March 2000

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The financial statements have also been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

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

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles

25 % Reducing Balance

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charges to income incurred.

2 Operating (loss)/profit

	2000 £	1999 £
Operating (loss)/profit is stated after crediting:		
Interest receivable	467	201
Profit on sale of assets	-	31,021
	<u> </u>	<u> </u>
and after charging:		
Auditors' remuneration	1,000	-
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 5):		
Leased assets	3,761	5,015
	<u> </u>	<u> </u>
	<u>3,761</u>	<u>5,015</u>

SITEMASTER LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

3 Interest payable

2000	1999
£	£

4 Taxation

2000	1999
£	£

Corporation tax on loss on ordinary
activities at 20% (1999 21%)

- 466

5 Tangible fixed assets

Cost	Motor Vehicles £
1st April 1999 and 31st March 2000	20,930
Depreciation	
1st April 1999	5,887
Charge for the year	3,761
31st March 2000	9,648
Net book amount	
31st March 2000	11,283
1st April 1999	15,043

The net book amount of fixed assets includes £11,283 (1999 £15,044) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2.

6 Stocks

2000	1999
£	£

Stocks 1,821,210

SITEMASTER LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

7 Debtors	2000	1999
	£	£
Amounts falling due within one year		
Other debtors	31,193	94
	<u>31,193</u>	<u>94</u>

8 Current asset investments	2000	1999
	£	£
Other investments	-	81,401
	<u>-</u>	<u>81,401</u>

9 Creditors: amounts falling due within one year	2000	1999
	£	£
Bank loans and overdrafts	-	65,422
Trade creditors	-	2,500
Obligations under finance leases and hire purchase contracts - note 10	5,155	5,937
Corporation tax	352	352
Other creditors	937,391	49,013
	<u>942,898</u>	<u>123,224</u>

Included in other creditors are loans amounting to £500,000 from various investors, bearing no interest but entitling them to 50% of the net profit made on the development at Upper Brents Shipyard, Faversham, East Kent.

10 Creditors: amounts falling due after more than one year	2000	1999
	£	£
Bank loans	900,000	-
Obligations under finance leases and hire purchase contracts	-	4,243
	<u>900,000</u>	<u>4,243</u>

Bank borrowings are secured by way of Mortgage Debenture over the assets of the company, also by way of first legal mortgage on the property known as Upper Brent Shipyard, Faversham, East Kent, included in work in progress.

Details of further securities are shown on note 13 on related parties.

SITEMASTER LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 2000

11 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary £1 shares	<u>50,000</u>	<u>50,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid				
Ordinary £1 shares	<u>50,000</u>	<u>50,000</u>	<u>2</u>	<u>2</u>

12 Profit and loss account

	2000 £
1st April 1999	10,359
Retained loss for the year	<u>(8,443)</u>
31st March 2000	<u>1,916</u>

13 Related parties

At 31st March 2000 C Rowe owed the company an amount of £Nil (1999 £94).

Philipa Rowe has deposited her shares with the bank as security for the bank borrowings.

14 Properties held in trust

Two properties purchased at a combined value of £138,215 on which a liability of £78,000 was secured on them, are held in the name of the company. However as both properties and associated loan are held in trust on behalf of Propan Properties Limited, neither amount is reflected within the financial statements.