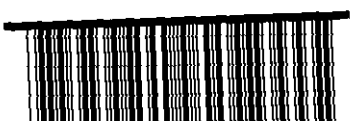
Skemtech Ltd

Directors' report and financial statements

Registered number 3353521

31 December 2000



A07
COMPANIES HOUSE
0709
27/07/01

Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the auditors to the members of Skemtech Ltd	3
Profit and loss account	4
Statement of total recognised gains and losses	4
Balance sheet	5
Notes	6

Directors' report

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

Principal activities

The principal activity of the company in the year under review was that of property developers and managers.

Business review

The results for the year and financial position of the company are as shown in the annexed financial statements.

Dividends

No dividends will be distributed for the year ended 31 December 2000.

Directors and directors' interests

The directors who held office during the year were as follows:

JF Carter
ME Collier
AP Dewhurst (resigned 31 December 2000)
M Sperber

The directors who held office during the year did not hold any beneficial interest in the issued share capital of the company.

Auditors

During the year, John Fairhurst & Co resigned and KPMG were appointed as auditors of the company.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

JM Miller
Secretary

Sceptre House
Sceptre Way
Bamber Bridge
PRESTON
PR5 6AW

13th June 2001

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 for that period. In preparing those financial statements, the directors 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 that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

Edward VII Quay
Navigation Way
Ashton-on-Ribble
Preston PR2 2YF
United Kingdom

Report of the auditors to the members of Skemtech Ltd

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

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 as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG KPMG
Chartered Accountants
Registered Auditors

6 July 2001

Profit and loss account

for the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover		-	-
Administrative expenses		**(25,429)**	(30,395)
Other operating income		**138,009**	135,272
Profit on ordinary activities before taxation	*2*	**112,580**	104,877
Tax on ordinary activities	*3*	**(34,578)**	(6,409)
Profit for the financial year after taxation		**78,002**	98,468
Retained profit/(deficit) brought forward		**70,238**	(28,230)
Retained profit carried forward		**148,240**	70,238

Statement of total recognised gains and losses

for the year ended 31 December 2000

	2000 £	1999 £
Profit for the financial year	**78,002**	98,468
Revaluation of fixed assets	**23,948**	228,282
Total recognised gains and losses relating to the year	**101,950**	326,750

Balance sheet

at 31 December 2000

	Note	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	*4*		**950,000**		950,000
Current assets					
Debtors	*5*	**57,215**		68,256	
Cash at bank		**279,872**		128,351	
		337,087		196,607	
Creditors: amounts falling due within one year	*6*	**(75,871)**		(53,926)	
Net current assets			**261,216**		142,681
Total assets less current liabilities			**1,211,216**		1,092,681
Creditors: amounts falling due after more than one year	*7*		**(794,061)**		(794,061)
Provisions for liabilities and charges	*8*		**(16,585)**		-
Net assets			**400,570**		298,620
Capital and reserves					
Called up share capital	*9*		**100**		100
Revaluation reserve	*10*		**252,230**		228,282
Profit and loss account	*10*		**148,240**		70,238
Shareholders' funds			**400,570**		298,620

These financial statements were approved by the board of directors on 13th June 2001 and were signed on its behalf by:

Director James Evans

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the historical cost accounting rules modified to include the revaluation of land and buildings.

Under the Financial Reporting Standard for Smaller Entities the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Tangible fixed assets

No depreciation has been provided in respect of leasehold and freehold properties due to the long economic lives of investment properties and the high estimated residual values meaning the depreciation charge is immaterial. The directors consider that this accounting policy results in the accounts showing a true and fair view.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Provision is made for deferred tax only to the extent that it is probable than an actual liability will crystallise.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000	1999
	£	£
Auditors' remuneration	**1,000**	500

No directors received any remuneration from the company during the period.

3 Taxation

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax at 20% *(1999: 20.25%)*	**17,993**	6,409
Deferred tax charge	**16,585**	-
	34,578	6,409

Notes *(continued)*

4 Tangible fixed assets

	Freehold Property
	£
Cost	
At beginning of year	950,000
Grant received	(23,948)
Surplus on revaluation	23,948
At end of year	950,000
Net book value	
At 31 December 2000	**950,000**
At 31 December 1999	950,000

Freehold properties are held at valuation. All such assets were given a full valuation on 31 December 2000 on the basis of existing use value by GVA Grimley, Chartered Surveyors. The net book value of freehold properties on a historical cost basis is £697,770.

5 Debtors

	2000	1999
	£	£
Trade debtors	**38,677**	41,361
Prepayments	**-**	26,895
Other debtors	**18,538**	-
	57,215	68,256

6 Creditors: amounts falling due within one year

	2000	1999
	£	£
Corporation tax	**21,094**	6,409
Social security and other taxes	**5,781**	5,865
Other creditors	**2,109**	5,055
Accruals	**46,887**	36,597
	75,871	53,926

Notes *(continued)*

7 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Debenture loans	**794,061**	794,061

No date for the redemption of the debentures has been set.

8 Provisions for liabilities and charges

The amounts provided for deferred taxation and the amounts not provided are set out below and relate to the timing differences between depreciation and capital allowances:

	2000		1999	
	Provided £	**Unprovided £**	Provided £	Unprovided £
Deferred taxation	**16,585**	-	-	12,062

9 Called up share capital

	2000 £	1999 £
Authorised		
Ordinary shares of 10p each	**100**	100
Allotted, called up and full paid		
Ordinary shares of 10p each	**100**	100

10 Reserves

	Profit and loss account £	Revaluation reserve £	Total £
Balance at 1 January 2000	70,238	228,282	298,520
Profit for the year	78,002	-	78,002
Surplus on revaluation	-	23,948	23,948
	148,240	252,230	400,470