

**PIKEDAWN LIMITED**  
**(Registered Number 3377310)**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 DECEMBER 1997**



## **PIKEDAWN LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report and the financial statements for the period ended 31 December 1997.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is that of property development.

#### **REVIEW OF THE BUSINESS**

On 29 May 1997, the company was formed as Pikedawn Limited with authorised share capital of 100 £1 shares, 2 £1 shares in issue.

On 12 December 1997 the company entered into an agreement to purchase a property for conversion into a residential dwelling and entered into a joint agreement with the Raven Close Nominees Limited for its development.

The loss for period attributable to shareholders amounts to £2,500.

The directors do not recommend payment of a dividend.

#### **DIRECTORS AND THEIR INTERESTS**

The directors during the period are:

AD Kennan  
JM Fickling

On formation London Law Services Limited was appointed as a director holding one share in the company. On 27 June 1997 London Law Services Limited resigned as director and AD Kennan and JM Fickling were appointed as directors. AD Kennan and JM Fickling are both directors of K & F Developments Limited interest which is the holding company of Pikedawn Limited. The directors interests in the share capital of K&F Developments Limited are shown in that company's financial statements.

#### **FUTURE DEVELOPMENTS**

Since the year end the Company has obtained planning permission for the conversion and put out tenders for the development.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

## PIKEDAWN LIMITED

### DIRECTORS' REPORT (continued)

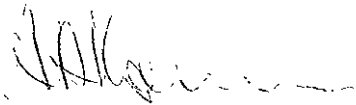
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 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

PricewaterhouseCoopers have been appointed as auditors, a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



AD Kennan  
Director

8 December 1998

## AUDITORS' REPORT TO THE MEMBERS OF PIKEDAWN LIMITED

We have audited the financial statements on pages 4 to 7 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.

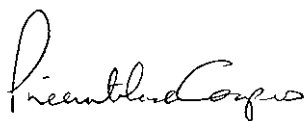
### Basis of opinion

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 as at 31 December 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PRICEWATERHOUSECOOPERS**  
Chartered Accountants  
And Registered Auditors

8 December 1998

**PIKEDAWN LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD 29 MAY 1997 TO  
31 DECEMBER 1997**

|                                                                  | <u>Notes</u> | <u>1997</u>     |
|------------------------------------------------------------------|--------------|-----------------|
| <b>TURNOVER</b>                                                  |              | -               |
| Cost of sales                                                    |              | -               |
|                                                                  |              | <hr/>           |
| <b>GROSS PROFIT</b>                                              |              | -               |
| Administrative expenses                                          |              | (2,500)         |
|                                                                  |              | <hr/>           |
| <b>OPERATING LOSS</b>                                            |              | (2,500)         |
| Interest receivable and similar income                           |              | -               |
| Interest payable and similar charges                             |              | -               |
|                                                                  |              | <hr/>           |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>               | 2            | (2,500)         |
| Taxation on loss on ordinary activities                          | 3            | -               |
|                                                                  |              | <hr/>           |
| <b>LOSS FOR THE FINANCIAL PERIOD WITHDRAWN FROM<br/>RESERVES</b> | 6            | <u>£(2,500)</u> |

The company has no recognised gains or losses other than the loss for the period and a statement of total recognised gains or losses has not been prepared.

There is no material difference between the profits as reported above and profits calculated on a historical cost basis.

**PIKEDAWN LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1997**

|                                                        | <u>Notes</u> | <u>1997</u>     |
|--------------------------------------------------------|--------------|-----------------|
| <b>CURRENT ASSETS</b>                                  |              |                 |
| Stock                                                  | 4            | 47,480          |
|                                                        |              | <u>47,480</u>   |
| <b>CREDITORS</b> (Amounts falling due within one year) | 5            | (49,978)        |
|                                                        |              | <u>(49,978)</u> |
| <b>NET CURRENT LIABILITIES</b>                         |              | (2,498)         |
|                                                        |              | <u>(2,498)</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>           |              | <u>£(2,498)</u> |
| <b>SHARE CAPITAL AND RESERVES</b>                      |              |                 |
| Called up equity share capital                         | 7            | 2               |
| Profit and loss account                                | 6            | (2,500)         |
|                                                        |              | <u>(2,498)</u>  |
| <b>EQUITY SHAREHOLDERS' FUNDS</b>                      | 6            | <u>£(2,498)</u> |

The financial statements on pages 4 to 7 were approved by the Board of Directors on 8 December 1998 and are signed on its behalf by:

  
AD Kennan  
Director

## PIKEDAWN LIMITED

### NOTES TO THE ACCOUNTS – 31 DECEMBER 1997

#### 1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### a) Stocks

Stock is valued at cost plus incidental expenditure relating to the development of the property. The Directors consider that the value of stock is recoverable.

##### b) Cash flow statement

In the opinion of the directors the company falls within the definition of a small reporting entity contained in the Financial Reporting Standard Number 1 and they have therefore taken advantage of the provisions of that statement which exempt such entities from the requirements to include a cash flow statement within their accounts.

#### 2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities is stated after charging:

|                       |                   |
|-----------------------|-------------------|
| Auditors remuneration | £1,000            |
|                       | <u>          </u> |

#### 3 TAXATION

The tax charge on the profit on ordinary activities comprises:

|                                  |                   |
|----------------------------------|-------------------|
| UK corporation tax at 21%        |                   |
| - based on losses for the period | £-                |
|                                  | <u>          </u> |

#### 4 STOCKS

|                  |                   |
|------------------|-------------------|
| Work in progress | £47,480           |
|                  | <u>          </u> |

#### 5 CREDITORS (amounts falling due within one year)

|                                        |                   |
|----------------------------------------|-------------------|
| Trade creditors                        | 32,290            |
| Amount owing to K & F Developments Ltd | 15,188            |
| Accruals and deferred income           | 2,500             |
|                                        | <u>          </u> |
|                                        | £49,978           |
|                                        | <u>          </u> |

## PIKEDAWN LIMITED

### NOTES TO THE ACCOUNTS – 31 DECEMBER 1997 (continued)

#### 6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                             | Called up equity<br><u>share capital</u> | Profit and<br><u>loss account</u> | <u>Total</u> |
|-----------------------------|------------------------------------------|-----------------------------------|--------------|
| Opening shareholders' funds | -                                        | -                                 | -            |
| Loss for the period         | -                                        | (2,500)                           | (2,500)      |
| Share capital issued        | 2                                        | -                                 | 2            |
|                             | <hr/>                                    | <hr/>                             | <hr/>        |
| Closing shareholders' funds | £2                                       | £(2,500)                          | £(2,498)     |
|                             | <hr/>                                    | <hr/>                             | <hr/>        |

#### 7 CALLED UP SHARE CAPITAL

##### Authorised share capital

|                                |       |
|--------------------------------|-------|
| 100 ordinary shares of £1 each | £100  |
|                                | <hr/> |

##### Issued, allotted and fully paid

|                              |       |
|------------------------------|-------|
| 2 ordinary shares of £1 each | £2    |
|                              | <hr/> |

#### 8 CAPITAL COMMITMENTS

The company had no capital commitments or contingent liabilities as at 31 December 1997

#### 9 SUBSEQUENT EVENT

On 12 December 1997 the company entered into an agreement to purchase a property for £1.98m, legal completion took place on 23 January 1998.

#### 10 ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the company is K & F Developments Limited, a company registered in England and Wales.