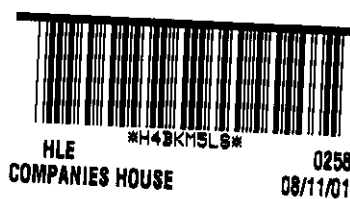


Pikedawn Limited
Directors' Report and Accounts
for the year ended 31 December 2000

Registered Number 3377310



Pikedawn Limited

Directors' report and accounts

for the year ended 31 December 2000

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Pikedawn Limited

Directors' report for the year ended 31 December 2000

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

Principal activities

The principal activity of company is that of property development.

Review of business and future developments

The company has continued its development of property during the course of the year and will continue to develop property in the future.

The loss for the year attributable to shareholders amounts to £259,482 (1999 : loss £228,694).

The directors do not recommend payment of a dividend. (1999 - £ Nil).

Directors and their interests

None of the directors held any beneficial interest in the shares of the company. A D Kennan and J M Fickling are both directors of K & F Developments Limited 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.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 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 confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000 and that applicable accounting standards have been followed.

Pikedawn Limited

Directors' report for the year ended 31 December 2000 (continued)

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



A D Kennan
Secretary

18 October 2001

Pikedawn Limited

Auditors' report to the members of Pikedawn Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 1, the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

18 October 2001

Pikedawn Limited

Profit and loss account for the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(271,311)	(264,073)
Operating loss		(271,311)	(264,073)
Interest receivable and similar income	2	12,387	35,441
Interest payable and similar charges		(183)	(62)
Loss on ordinary activities before taxation	1	(259,107)	(228,694)
Taxation on loss on ordinary activities	3	(375)	-
Retained loss for the financial year	7	(259,482)	(228,694)

The Company has no recognised gains or losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

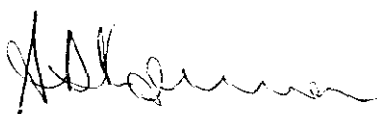
There is no difference between the withdrawn loss for the year as reported above and their historical cost equivalents.

Pikedawn Limited

Balance sheet as at 31 December 2000

	Note	2000 £	2000 £	1999 £	1999 £
Current assets					
Stock	5	4,555,486		2,899,430	
Debtors	4	1,134		22	
Cash at bank		5,956		219,904	
		4,562,576		3,119,356	
Creditors (amounts falling due within one year)	6	(5,272,970)		(3,570,268)	
Net current liabilities			(710,394)		(450,912)
Net liabilities			(710,394)		(450,912)
Share capital and reserves					
Called up equity share capital	8		2		2
Profit and loss accounts	7		(710,396)		(450,914)
Equity shareholders' deficit	7		(710,394)		(450,912)

The financial statements on pages 4 to 9 were approved by the board of directors on 18 October 2001 and were signed on its behalf by:



A D Kennan
Director

Pikedawn Limited

Accounting policies

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

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.

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 the statement which exempt such entities from the requirements to include a cash flow statement within their accounts.

Basis of preparation

The financial statements have been prepared on a going concern basis. The validity of the going concern basis is dependent upon the continued support of the parent undertaking, K & F Developments Limited. The parent undertaking has confirmed their intention to continue to support the company for the foreseeable future.

Pikedawn Limited

Notes to the financial statements for the year ended 31 December 2000

1 Loss on ordinary activities before taxation

Loss on ordinary activities is stated after charging:

	2000	1999
	£	£
Auditor's remuneration	1,000	1,000

2 Interest receivable and similar income

	2000	1999
	£	£
Bank interest	10,648	35,441
Other income	1,739	-
	12,387	35,441

3 Taxation

The taxation charge on the profit on ordinary activities comprises:

	2000	1999
	£	£
UK corporation tax at 20%		
- based on losses for the year	-	-
Tax charged on interest received	375	-
	375	-

4 Debtors

	2000	1999
	£	£
Other debtors	-	22
Prepayments	1,134	-
	1,134	22

Pikedawn Limited

Notes to the financial statements for the year ended 31 December 2000 (continued)

5 Stock

	2000	1999
	£	£
Work in progress	4,555,486	2,899,430

6 Creditors (amounts falling due within one year)

	2000	1999
	£	£
Trade Creditors	326,868	165,195
Amount owing to K & F Developments Limited	4,941,102	3,396,573
Accruals and deferred income	5,000	8,500
	5,272,970	3,570,268

7 Reconciliation of movements in equity shareholders' funds

	Called up equity share capital	Profit and loss account	Total
	£	£	£
Opening equity shareholders' funds	2	(450,914)	(450,912)
Loss for the year	-	(259,482)	(259,482)
Closing equity shareholders' funds	2	(710,396)	(710,394)

8 Called up equity share capital

	2000	1999
	£	£
<u>Authorised share capital</u>		
100 ordinary shares of £1 each	100	100
<u>Issued, allotted and fully paid</u>		
2 ordinary shares of £1 each	2	2

Pikedawn Limited

Notes to the financial statements for the year ended 31 December 2000 (continued)

9 Capital commitments

The company entered into a contract with Dove Brothers on 5 April 1999. The value of the contract is £2,122,804. During the year, payments of £1,456,267 were made (1999:£362,206).

10 Related party transactions

As well as the amount owing to K & F Developments disclosed in note 6, Pikedawn Limited paid management charges of £250,732 (1999: £204,741) to K & F Developments, its ultimate parent company, of which the directors are A D Kennan and J M Fickling.

11 Ultimate controlling party

The parent undertaking of the company is K & F Developments Limited, a company registered in England and Wales.

The ultimate controlling party of the company is J M Fickling Esq, a director of this company and of K & F Developments Limited.