

CASTLEMIST FINANCES LTD

DIRECTOR'S REPORT FOR THE YEAR TO 14TH MARCH 2000.

The directors submit their report as required by Section 235 of the Companies Act 1985.

1. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgements and estimates that are reasonable and prudent;
- c. 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 record which disclose with reasonable accuracy at any time the financial position of the company and to enable them 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.

2. Company's Business and Review:

The company's business is that of property development and investment. The result for the period is set out on page 3.

3. The directors and their shareholdings at the beginning and end of year were:

P. Coleman	2 Ordinary Shares (Jointly owned with spouse)
Mrs. T. Coleman	2 Ordinary Shares (Jointly owned with spouse)

4. The directors' report is prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies (S. 246(8)(b)).
5. The company is a close company within the provisions of ICTA 1988 and does not have any Subsidiary, Associated or Holding Company.

BY ORDER OF THE BOARD



P. Coleman
DIRECTOR

Registered Office: 8 Pinner View.

Harrow.

Middlesex, HA1 4QA.

Dated:

22nd

July 2000

CASTLEMIST FINANCES LTD

BALANCE SHEET AS AT 14TH MARCH 2000

	(Notes)	2000	1999
<u>FIXED ASSETS</u>	(1b)		£
Tangible Assets	(3)	<u>306,977</u>	<u>Nil</u>
<u>CURRENT ASSETS</u> (Amounts falling due within one year)			
Stock	(1c)	285,176	Nil
Cash at Bank		140,546	117,512
Prepayment		<u>57</u>	<u>Nil</u>
		<u>425,779</u>	<u>117,512</u>
Less: <u>CREDITORS</u> (Amounts falling due within one year)	(4)	<u>(544,754)</u>	<u>(108,004)</u>
NET CURRENT ASSETS (LIABILITIES)		<u>(118,975)</u>	<u>9,508</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(188,002)</u>	<u>9,508</u>
LESS: CREDITORS (Amounts falling due after one year)	(5)	<u>(183,824)</u>	<u>Nil</u>
TOTAL ASSETS LESS LIABILITIES (Adverse balance)		<u>4,178</u>	<u>9,508</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	(6)	2	2
Profit and Loss Account- (Adverse Balance)		4176	9,506
		<u>4,178</u>	<u>9,508</u>

STATUTORY STATEMENT BY THE DIRECTORS OF A SMALL COMPANY

The Directors are satisfied that the company is entitled to exemption under section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for :

- (1) ensuring that the company keeps proper accounting record which comply with Section 221 of the Companies Act 1985; and
- (11) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the Company.

The directors have taken advantage of exemptions conferred by part III of Schedule 8 to the Companies Act 1985 and have done so on the ground that, in their opinion, the company is entitled to those exemptions as a small company.

The accounts are prepared in accordance with Special provisions of Part VII of the Companies Act 1985 relating to small companies (S. 246 (8)(b)).

APPROVED BY THE BOARD ON 22 July 2000 AND SIGNED ON ITS BEHALF BY

P. COLEMAN