

CASTLEMIST FINANCES LTD

DIRECTOR'S REPORT FOR THE YEAR TO 14TH MARCH 2001.

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.
- d. State whether the Financial Reporting Standard for Smaller <sup>Entities</sup> Entries has been followed, subject to any material departures disclosed and explained in the financial statements;

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:

Sept 2001

ACCOUNTANTS REPORT

**Accountants report on unaudited accounts to the directors of Castlemist Finances Ltd.**

*As described on the balance sheet, you are responsible for the preparation of accounts for the year ended 14th March 2001, set out on pages 3 to 6 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.*

CHARTERED ACCOUNTANTS

A J SHAH & COMPANY  
8 PINNER VIEW  
HARROW  
MIDDX. HA1 4QA

Sept 2001

CASTLEMIST FINANCES LTD

PROFIT AND LOSS STATEMENT FOR THE YEAR TO 14TH MARCH 2001

|                                                         | <u>Notes</u> | <u>2001</u><br>£      | <u>2000</u><br>£    |
|---------------------------------------------------------|--------------|-----------------------|---------------------|
| Turnover                                                | 2            | 46,600                | 32,553              |
| Cost of Sales                                           |              | <u>-</u>              | <u>-</u>            |
| GROSS PROFIT/(LOSS)                                     |              | 46,600                | 32,553              |
| Administrative Expenses                                 |              | (38,108)              | (27,091)            |
| Distribution Costs                                      |              | <u>-</u>              | <u>-</u>            |
| Profit or (Loss) on ordinary activities before taxation |              | 8,492                 | 5,462               |
| Interest received                                       |              | NIL                   | 1,821               |
| Interest payable                                        |              | <u>(14,758)</u>       | <u>(12,613)</u>     |
| Profit or (Loss) on ordinary activities before taxation |              | (6,266)               | (5,330)             |
| UK Corporation tax - (overpaid in previous year)        |              | <u>221</u>            | <u>Nil</u>          |
| Profit or (Loss) on ordinary activities after taxation  |              | (6,045)               | (5,330)             |
| Dividends Paid                                          |              | <u>Nil</u>            | <u>Nil</u>          |
| Transfer to Reserves (adverse balance)                  |              | (6,045)               | (5,300)             |
| Retained Profits (Adverse balance)                      |              | 4,176                 | 9,506               |
| Profits carried to Balance Sheet                        |              | <u><u>(1,869)</u></u> | <u><u>4,176</u></u> |

Notes :

1. There was no recognised gains or losses for 2000 and 2001 other than those included in the Profit and Loss Account.
2. The notes on pages 4 to 6 form part of these accounts.

CASTLEMIST FINANCES LTD

BALANCE SHEET AS AT 14TH MARCH 2001

|                                                              | (Notes) | 2001             | 2000             |
|--------------------------------------------------------------|---------|------------------|------------------|
| <u>FIXED ASSETS</u>                                          | (1b)    |                  |                  |
| Tangible Assets                                              | (3)     | <u>302,753</u>   | <u>306,977</u>   |
| <u>CURRENT ASSETS</u> (Amounts falling due within one year)  |         |                  |                  |
| Stock                                                        | (1c)    | 731,648          | 285,176          |
| Cash at Bank                                                 |         | 1,389            | 140,546          |
| Prepayment                                                   |         | <u>4,328</u>     | <u>57</u>        |
|                                                              |         | <u>737,365</u>   | <u>425,779</u>   |
| Less: <u>CREDITORS</u> (Amounts falling due within one year) | (4)     | <u>(866,681)</u> | <u>(544,754)</u> |
| NET CURRENT ASSETS (LIABILITIES)                             |         | <u>(129,316)</u> | <u>(118,975)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES                        |         | <u>173,437</u>   | <u>188,002</u>   |
| LESS: CREDITORS (Amounts falling due after one year)         | (5)     | <u>(175,304)</u> | <u>(183,824)</u> |
| TOTAL ASSETS LESS LIABILITIES (Adverse balance)              |         | <u>(1,867)</u>   | <u>4,178</u>     |
| <u>CAPITAL AND RESERVES</u>                                  |         |                  |                  |
| Called up Share Capital                                      | (6)     | 2                | 2                |
| Profit and Loss Account- (Adverse Balance)                   |         | <u>(1,869)</u>   | <u>4176</u>      |
|                                                              |         | <u>(1,867)</u>   | <u>4,178</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

Sept 2001 AND SIGNED ON ITS BEHALF BY

P. COLEMAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 14TH MARCH 2001

1. ACCOUNTING POLICIES

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

a. Accounting Basis: The accounts are prepared in accordance with the Financial Reporting Statement for Smaller Entities (FRSSE) (effective March 2000.) The financial statements have been prepared under historical cost convention in accordance with applicable accounting standards in the UK.

b. Depreciation on fixed assets is provided at rates estimated to write off the cost of each assets over its expected useful life as follows:-

|                    |                       |
|--------------------|-----------------------|
| Freehold Land      | Nil                   |
| Freehold Buildings | 2% straight-line p.a. |

c. Stock and Working in Progress  
Stock and Work is valued by the directors at lower of cost and net realisable value.

2. TURNOVER

Turnover represents gross rent receivable.

3. FIXED ASSETS

|                      | Tangible assets<br>total |
|----------------------|--------------------------|
| Cost                 |                          |
| At 15th March 2000   | 311,201                  |
| Additions            | (Nil)                    |
| Disposals            | (Nil)                    |
| At 14th March 2001   | <u>311,201</u>           |
| Depreciation         |                          |
| At 15th March 2000   | 4,224                    |
| Charges for the year | 4,224                    |
| Disposals            | Nil                      |
| At 14th March 2001   | <u>8,448</u>             |
| Net Book Value       |                          |
| At 14th March 2001   | <u>302,753</u>           |
| At 15th March 2000   | <u>306,907</u>           |

The gross amount of any non-depreciable assets mixed with freehold land buildings is £100,000.

# CASTLEMIST FINANCES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 14TH MARCH 2001

| 4. CREDITORS: Amounts falling within one year | <u>2001</u>    | <u>2000</u>    |
|-----------------------------------------------|----------------|----------------|
| Bank Overdraft                                | 466,090        | -              |
| Bank loans                                    | 23,277         | 23,277         |
| Trade creditors                               | -              | 257,236        |
| Tenants Deposits                              | 3,060          | 3,200          |
| Corporation Tax                               | Nil            | Nil            |
| Other taxation and social security            | Nil            | Nil            |
| Directors' Loans                              | 244,117        | 130,963        |
| Other creditors and Accruals                  | 130,137        | 130,078        |
|                                               | <u>866,681</u> | <u>544,754</u> |

The bank loans and overdrafts are secured.

| 5. CREDITORS: Amounts falling <sup>due</sup> after one year |                |            |
|-------------------------------------------------------------|----------------|------------|
| Bank Loans                                                  | <u>175,304</u> | <u>NIL</u> |

| 6. SHARE CAPITAL          | <u>Authorised</u> | <u>Allotted, Issued and fully paid</u> |
|---------------------------|-------------------|----------------------------------------|
| Ordinary Share of £1 each | £1,000            | £2.00                                  |

### 7. CONTINGENT LIABILITIES

As far as directors are aware, there were no material contingent liabilities outstanding on the Balance Sheet date other than those entered into in the normal course of business.

### 8. DIRECTORS EMOLUMENTS - amounted to less than £60,000 including pension contributions.

|                                     | <u>2001</u> | <u>2000</u> |
|-------------------------------------|-------------|-------------|
| Emoluments for service as directors | 4,500       | 3,870       |
| Other emoluments (excluding NIC)    | Nil         | Nil         |
| Pensions                            | Nil         | Nil         |