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Registration Number 1215712

WILLOWCOMBE LIMITED

Directors' Report and Financial Statements

for the year ended 31 December 2000



WILLOWCOMBE LIMITED

Company Information

Directors	R A Austin H M Austin C H Bowden S M Lupton
Secretary	R A Austin
Company Number	1215712
Registered Office	16 South End Croydon Surrey
Business Address	P O Box 16 Teddington Middlesex

WILLOWCOMBE LIMITED

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WILLOWCOMBE LIMITED

Directors' Report for the year ended 31 December 2000

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

Principal Activity

The principal activity of the company in the year under review was that of property investment.

The principal activity of its subsidiary, Cherryoak Limited was that of property management.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31st December 2000	1st January 2000
R A Austin	8,175	5,900
H M Austin	2,814	2,900
C H Bowden	710	600
S M Lupton	710	600

Charitable and Political Contributions

During the year the company contributed £2,000 to charities.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 20th September 2001 and signed on its behalf by:

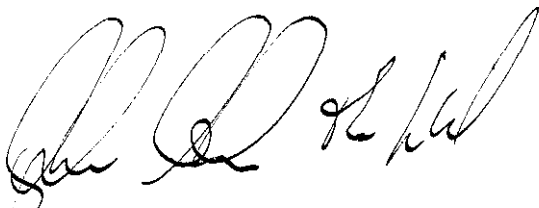
R A Austin
Secretary



WILLOWCOMBE LIMITED

**Accountants' Report on the Unaudited Financial Statements to the Directors of
WILLOWCOMBE LIMITED**

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2000 set out on pages 3 to 11 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



Graham Cohen & Co Limited

**16 South End
Croydon
CR0 1DN**

Date: *28.9.2001*

WILLOWCOMBE LIMITED

**Profit and Loss Account
for the year ended 31 December 2000**

		2000	1999
	Notes	£	£
Turnover	2	74,038	76,838
Administrative expenses		(29,430)	(22,357)
Operating profit	3	44,608	54,481
Interest receivable and similar income		6,723	3,636
Profit on ordinary activities before taxation		51,331	58,117
Tax on profit on ordinary activities	5	(25,709)	(9,028)
Profit on ordinary activities after taxation		25,622	49,089
Dividends		(10,928)	(14,406)
Retained profit for the year		14,694	34,683
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		25,622	49,089
Unrealised movement on revaluation of property		94,133	206,925
Total recognised gains relating to the year		119,755	256,014

The notes on pages 6 to 11 form an integral part of these financial statements.

WILLOWCOMBE LIMITED

Balance Sheet as at 31 December 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	6		1,309,810		1,450,225
Investments	7		336,335		-
			<u>1,646,145</u>		<u>1,450,225</u>
Current Assets					
Debtors	8	227,666		240,178	
Cash at bank and in hand		372,630		124,605	
		<u>600,296</u>		<u>364,783</u>	
Creditors: amounts falling due within one year	9	(63,024)		(41,795)	
Net Current Assets			<u>537,272</u>		<u>322,988</u>
Total Assets Less Current Liabilities			2,183,417		1,773,213
Provisions for Liabilities and Charges	10		(104,576)		(138,786)
Net Assets			<u>2,078,841</u>		<u>1,634,427</u>
Capital and Reserves					
Called up share capital	12		12,409		10,000
Share premium account	13		333,179		-
Revaluation reserve	13		341,072		354,414
Profit and loss account	13		1,392,181		1,270,013
Shareholders' Funds			<u>2,078,841</u>		<u>1,634,427</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 11 form an integral part of these financial statements.

WILLOWCOMBE LIMITED

Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2000**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2000 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on *20 September 2001* and signed on its behalf by:

**R A Austin
Director**



The notes on pages 6 to 11 form an integral part of these financial statements.

WILLOWCOMBE LIMITED

Notes to the Financial Statements for the year ended 31 December 2000

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of rentals receivable during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	15% on the reducing balance.
Freehold Properties	-	Nil% on cost or revalued amount

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

1.6. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2000 £	1999 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	22	31
and after crediting:		
Profit on disposal of tangible fixed assets	15,066	14,325

WILLOWCOMBE LIMITED

Notes to the Financial Statements for the year ended 31 December 2000

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4. Directors' emoluments

There were no employees during the year apart from the directors.

	2000	1999
	£	£
Remuneration and other benefits	3,867	3,450

5. Taxation

	2000	1999
	£	£
UK current year taxation		
UK Corporation Tax at 22% (1999 - 20%)	25,709	9,028

6. Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Total
	£	£	£
Cost or valuation			
At 1 January 2000	1,450,079	1,021	1,451,100
Additions	79,684	-	79,684
Revaluations	59,922	-	59,922
Disposals	(280,000)	-	(280,000)
At 31 December 2000	1,309,685	1,021	1,310,706
Depreciation			
At 1 January 2000	-	874	874
Charge for the year	-	22	22
At 31 December 2000	-	896	896
Net book values			
At 31 December 2000	1,309,685	125	1,309,810
At 31 December 1999	1,450,079	147	1,450,226

The historical cost of Freehold land and buildings included above at a valuation of £ 1,309,685 was £ 696,347 (1999- £789,189) and the aggregate depreciation thereon would have been £nil.

WILLOWCOMBE LIMITED

**Notes to the Financial Statements
for the year ended 31 December 2000**

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7. Fixed Asset Investments

	Subsidiary Undertakings Shares	Total
	£	£
Cost		
Additions	336,335	336,335
At 31 December 2000	<u>336,335</u>	<u>336,335</u>
Net book values		
At 31 December 2000	<u>336,335</u>	<u>336,335</u>

WILLOWCOMBE LIMITED

Notes to the Financial Statements for the year ended 31 December 2000

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7.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held
Subsidiary undertaking			
Cherryoak Limited	England	Property investment	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Cherryoak Limited	<u>236,971</u>	<u>22,021</u>

8. Debtors

	2000 £	1999 £
Amount owed by group undertakings – Cherryoak Limited	127,666	140,178
Other debtors – Related company – Thurland Limited	100,000	100,000
	<u>227,666</u>	<u>240,178</u>

9. Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	-	4,845
Corporation tax	25,709	3,442
Other taxes and social security costs	5	-
Directors' accounts	22,519	20,465
Accruals and deferred income	3,863	2,603
Proposed dividend	10,928	10,440
	<u>63,024</u>	<u>41,795</u>

WILLOWCOMBE LIMITED

Notes to the Financial Statements for the year ended 31 December 2000

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10 Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

	Provided	
	2000	1999
	£	£
Surplus on revaluation of property	- 104,576	138,786

Movements on the provision for deferred taxation are:

	2000	1999
	£	£
At 1 January 2000	138,787	45,242
Transferred to revaluation reserve	(34,211)	93,544
At 31 December 2000	104,576	138,786

11. Share capital

	2000	1999
	£	£
Authorised 100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid 12,409 Ordinary shares of £1 each	12,409	10,000

During the year two thousand four hundred and nine new shares were issued in exchange for all of the issued capital of Cherryoak Limited, a company incorporated in England, at a value of £139.31 per share.

WILLOWCOMBE LIMITED

Notes to the Financial Statements for the year ended 31 December 2000

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12. Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2000	-	354,414	1,270,012	1,624,426
Premium on issue of shares	333,179	-	-	333,179
Transfer of realised profit	-	(107,475)	107,475	-
Revaluation of property	-	94,133	-	94,133
Retained profit for the year	-	-	14,694	14,694
At 31 December 2000	<u>333,179</u>	<u>341,072</u>	<u>1,392,181</u>	<u>2,066,432</u>

In accordance with FRSSE properties owned by the company for investment purposes are shown at open market valuation. This departure from the Companies Act 1985 is necessary to give a true and fair view. The valuations were carried out by R Austin, director. Any surplus or deficit is taken to the Revaluation Reserve.

13 Related party transactions

The company was charged £28,564 for management services provided by its subsidiary undertaking, Cherryoak Limited. Related Party balances are shown in note 8.

14 Ultimate controlling party

The ultimate controlling party is R A Austin, director. This is by virtue of the fact that he holds the majority of the issued share capital, and controls the day to day running of the business.