

NEW FIELDS MANAGEMENT LIMITED

ACCOUNTS

31 DECEMBER 1998

25,70408



NEW FIELDS MANAGEMENT LIMITED

Company Registration Number	3170408
Registered Office	7 Oakhill Road Sevenoaks Kent TN13 1NQ
Auditors	Mazars Neville Russell Raffety House 2-4 Sutton Court Road Sutton Surrey SM1 4TN

## NEW FIELDS MANAGEMENT LIMITED

### DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1998.

#### Review of Activities

The company manages the land and estate development at New Fields, Stinsford Road, Poole, Dorset.

On 19 January 1998 a lease of 999 years was granted to D'Angibou Willmot in respect of unit 15. Simultaneously, Marley (New Fields) Limited surrendered its lease in respect of this unit. The consideration for both transactions was £175,000. Nil profit or loss was recorded.

On 2 February 1998 a lease of 999 years was granted to Groundwork Investments Limited in respect of unit 4. Simultaneously, Marley (New Fields) Limited surrendered its lease in respect of this unit. The consideration for both transactions was £530,000. Nil profit or loss was recorded.

On 23 October 1998 a lease of 999 years was granted to The Trustees of the Willow (Self Administered) Pension Plan in respect of unit 3. Simultaneously, Marley (New Fields) Limited surrendered its lease in respect of this unit. The consideration for both transactions was £320,000. Nil profit or loss was recorded.

In accordance with the Articles of Association, 'B' ordinary shares of £10 were allotted to the new leaseholders as follows:

Allottee	Date	'B' ordinary shares issued and fully paid
D'Angibou Willmot	19 January	4
Groundwork Investments Limited	2 February	14

The Trustees of the Willow (Self Administered) Pension Plan were granted a lease on 23 October 1998, but shares were not allocated until 1999.

#### Directors

The directors at 31 December 1998, were

Mr P R Baker.  
Mr R E Beveridge.

# NEW FIELDS MANAGEMENT LIMITED

## DIRECTORS' REPORT (continued)

The interests of Mr R E Beveridge and Mr P R Baker in the ordinary shares of Marley plc required to be reported herein and as disclosed by the register maintained pursuant to section 325 of the Companies Act 1985 were:

### a) Option schemes

<u>1.1.98</u>	<u>Granted during the period</u>	<u>Cancelled during the period</u>	<u>31.12.98</u>	<u>Exercise Price</u>	<u>Date of Grant</u>	<u>Option exercisable from</u>	<u>to</u>
<u>R. E. Beveridge</u>							
38,759	-	-	38,759+	139.31p	5.10.89	5.10.92	4.10.99
91,080	-	-	91,080+	120.54p	16.4.93	16.4.96	15.4.03
80,960	-	-	80,960+	152.15p	6.10.94	6.10.97	5.10.04
11,988	-	(11,988)	-	122.02p	6.10.94	1.12.99	31.5.00
46,286	-	-	46,286+	111.00p	12.10.95	12.10.98	11.10.05
80,000	-	-	80,000++	122.00p	10.9.96	10.9.99	9.9.06
76,826	-	-	76,826++	113.50p	16.10.97	16.10.00	15.10.07
1,655	-	-	1,655xx	89.50p	7.10.97	1.12.00	31.5.01
-	12,527	-	12,527xx	66.00p	9.10.98	1.12.01	31.5.02
<u>427,554</u>	<u>112,527</u>	<u>(11,988)</u>	<u>528,093</u>				
=====	=====	=====	=====				

+ Denotes option granted under the Executive Share Option Scheme

++ Denotes option granted under the 1996 Executive Share Option Scheme

xx Denotes options granted under the 1996 Savings-Related Share Option Scheme

<u>01.01.98</u>	<u>Granted during the period</u>	<u>Lapsed or Exercised</u>	<u>Cancelled</u>	<u>31.12.98</u>	<u>Exercise Price</u>	<u>Date of Grant</u>	<u>Option exercisable from</u>	<u>to</u>
<u>P R Baker</u>								
41,390	-	-	-	41,390+	139.31p	5.10.89	5.10.92	4.10.99
3,325	-	3,325	-	-	51.87p	23.10.92	1.12.97	31.05.98
20,240	-	-	-	20,240+	120.54p	16.04.93	16.04.96	15.04.03
20,240	-	-	-	20,240+	152.15p	6.10.94	6.10.97	5.10.04
20,000	-	-	-	20,000+	111.00p	12.10.95	12.10.98	11.10.05
20,000	-	-	-	20,000++	122.00p	10.09.96	10.09.99	9.09.06
4,098	-	-	4,098	-	98.00p	8.10.96	1.12.01	31.05.02
20,000	-	-	-	20,000++	113.50p	16.10.97	16.10.00	15.10.07
6,405	-	-	6,405	-	89.50p	07.10.97	01.12.00	31.05.01
-	20,000	-	-	20,000++	82.00p	15.09.98	15.09.01	14.09.08
-	14,772	-	-	14,772++	66.00p	09.10.98	01.12.01	31.05.02
<u>155,698</u>	<u>34,772</u>	<u>3,325</u>	<u>10,503</u>	<u>176,642</u>				
=====	=====	=====	=====	=====				

+ Denotes option granted under the Executive Share Option Scheme

++ Denotes option granted under the 1996 Executive Share Option Scheme

## NEW FIELDS MANAGEMENT LIMITED

### DIRECTORS' REPORT (continued)

b) <u>Holdings</u>	Marley plc 25p ordinary shares			Marley plc 16p ordinary shares		
	<u>1.1.98</u>	<u>acquired</u>	<u>4.10.98</u>	<u>5.10.98</u>	<u>acquired</u>	<u>31.12.98</u>
R. E. Beveridge	24,750	2,300	27,050	23,185	25,002	48,187
P. R. Baker	198	3,325	3,523	3,019	-	3,019

R Beveridge cancelled his 1994 Savings-Related Share Option in October 1998, and this was replaced by the options granted on 9 October 1998.

P. R. Baker exercised his option to acquire 3,325 shares @ 51.87p in February 1998. The market price of the shares at 31 December 1998 was 123p. During the period the share price fluctuated between a high of 129.5p and a low of 64.5p.

#### Year 2000

Year 2000 compliant computer systems are required to avoid the possibility of systems malfunctioning at the millennium change, if programmed to identify a year by two digits ("00") rather than four("2000").

To ensure that the company does not experience significant disruption to its businesses, substantial efforts are being made to identify, correct and test all systems, products and equipment and also to ensure that key suppliers are fully prepared. A working party responsible to the Main Board of the ultimate holding company has been established to address the issue.

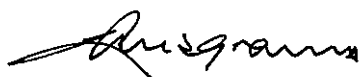
#### Takeover

On 26 January 1999 Marley plc the company's ultimate parent undertaking, was taken over by Etex Group SA. From that date the company's ultimate parent undertaking has been Fineter SA, a company registered in Belgium.

#### Auditors

Following the merger of Neville Russell and Mazars & Guerard on 1 September 1998, Neville Russell resigned as auditors in favour of the new firm, Mazars Neville Russell, and the directors have appointed Mazars Neville Russell to fill the casual vacancy created by the resignation. A resolution to reappoint Mazars Neville Russell as auditors will be proposed at the next Annual General Meeting.

On behalf of the Board



D. J. A. Musgrave  
Secretary

5 May 1999

NEW FIELDS MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

	For the Year Ended 31 December 1998	For the Year Ended 31 December 1997
	£	£
TURNOVER		
Service charge income	13,574	14,256
OPERATING CHARGES		
Service charge expenditure	(11,054)	(11,407)
OPERATING PROFIT	2,520	2,849
Interest receivable	1,480	1,151
Sinking fund appropriation	(4,000)	(4,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	- =====	- =====

The company manages the land and estate at New Fields, Stinsford Road, Poole, Dorset. All expenditure and income relates purely to service charges in respect of the development.

There are no recognised gains or losses.

# NEW FIELDS MANAGEMENT LIMITED

## BALANCE SHEET 31 December 1998

	Notes	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	3	-	-
<b>CURRENT ASSETS</b>			
Debtors	4	2,830	2,350
Cash at bank		20,678	22,438
		<u>23,508</u>	<u>24,788</u>
<b>CREDITORS</b>			
Amounts due within one year	5	(1,708)	(8,274)
<b>NET CURRENT ASSETS</b>		<u>21,800</u>	<u>16,514</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		21,800	16,514
Provisions for liabilities and charges	6	(21,028)	(15,922)
		<u>772</u>	<u>592</u>
<b>CAPITAL AND RESERVES</b>		<u>772</u>	<u>592</u>
Called up share capital	7	772	592
Profit and loss account		-	-
<b>Shareholders' funds</b>		<u>772</u>	<u>592</u>

Shareholders' funds are entirely attributable to equity interests.

Approved by the Board on 5 May 1999



P. R. Baker  
Director

The notes on pages 8 to 11 form part of these accounts

## NEW FIELDS MANAGEMENT LIMITED

### ACCOUNTING POLICIES

#### Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.



# NEW FIELDS MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS

### 1. Staff costs

No staff were directly employed by the company (1997 nil).  
Directors' emoluments and fees amounted to nil (1997 nil).

### 2. Auditors remuneration

Auditors remuneration amounted to £525 for audit work.

### 3. Tangible fixed assets

	Freehold land and buildings
At 1 January 1998 and 31 December 1998	- =====

On 26 March 1996 the company acquired the freehold of the land and buildings of the New Fields development from Marley Properties Limited. This freehold was subject to the residue of a 999 year lease to Marley (New Fields) Limited and as such had a nil value.

During the year there were new 999 year leases granted. In the opinion of the directors, the freehold continues to have a nil value at the year end.

4. Debtors	1998 £	1997 £
Amounts falling due within one year		
Due from fellow group undertakings	772	592
Service charges outstanding	1,574	1,574
Prepayments	484	184
	<u>2,830</u> =====	<u>2,350</u> =====

# NEW FIELDS MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS (continued)

5. Creditors	1998	1997
	£	£
Amounts falling due within one year		
Charges to tenants in excess of expenditure	706	3,686
Service charges paid in advance	314	3,252
Accruals	688	1,336
	<u>1,708</u>	<u>8,274</u>
	=====	=====

6. Provisions for liabilities and charges	1998	1997
	£	£
Sinking fund bank account		
At 1 January 1998	15,922	11,211
Contributions during the period	4,000	4,000
Interest received - net	1,106	711
At 31 December 1998	<u>21,028</u>	<u>15,922</u>
	=====	=====

The sinking fund is provided for the purpose of maintaining or improving the estate in the interests of good estate management and of the tenants thereof.

7. Share capital	1998	1997
	£	£
Authorised		
2 'A' redeemable ordinary shares of £1 each	2	2
100 'B' ordinary shares of £10 each	1,000	1,000
	<u>1,002</u>	<u>1,002</u>
	=====	=====
Called up and fully paid		
2 'A' redeemable ordinary shares of £1 each	2	2
77 'B' ordinary shares of £10 each	770	590
	<u>772</u>	<u>592</u>
	=====	=====

## NEW FIELDS MANAGEMENT LIMITED

### NOTES TO THE ACCOUNTS (continued)

#### 7. Share capital (continued)

The 'A' redeemable ordinary shares are issued to Marley (New Fields) Limited and these shares will be retained until the last unit on the development has been leased to a non group undertaking.

The 'B' ordinary shares are allotted for cash upon completion of each unit to the lessor in ratio to the service charges of the unit(s) acquired to the service charges of all units.

The 'A' redeemable ordinary shares confer voting control at all general meetings of the company. The 'A' redeemable ordinary shares and the 'B' ordinary shares have equal voting rights. When the last unit has been sold, all these shares will be redeemed at par.

In the event of the company being wound up the whole or any part of the assets of the company will be divided among the members in specie.

The movements in the allotted and fully paid share capital during the year are as follows:

- On 19 January 1998, four 'B' ordinary shares of £10 each were allotted to D'Angibou Willmot.
- On 30 January 1998, fourteen 'B' ordinary shares of £10 each were allotted to Groundwork Investments Limited.

#### 8. Reconciliation of Shareholders funds

	£
At 1 January 1998	592
Issue of "B" ordinary shares	180
At 31 December 1998	<u>772</u>
	=====

#### 9. Granting of new long leases

As stated in the review of activities section of the Directors Report on pages 2 to 4, three new 999 year leases were granted during the year.

## NEW FIELDS MANAGEMENT LIMITED

### NOTES TO THE ACCOUNTS (continued)

#### 10. Ultimate parent undertaking

The company is a subsidiary undertaking of its ultimate parent undertaking Marley plc, a company registered in England. The sole set of group accounts that consolidate the accounts of the company are those of Marley plc, copies of which are available from the address shown on page 1.

#### 11. Related party transactions

Transactions with entities that are members of the Marley plc group are not disclosed as related party transactions, as the company is a subsidiary of the Marley plc group. All balances with related parties arose from transactions with entities that are members of the Marley plc group. Material balances existed with the following member of the Marley plc group at 31 December 1998:

Marley Properties Limited

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year 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 the profit and loss for the financial year. The directors consider that in preparing the financial statements on pages 5 to 11, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## NEW FIELDS MANAGEMENT LIMITED

### AUDITORS' REPORT TO THE MEMBERS OF NEW FIELDS MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policy set out on page 7.

#### **Respective responsibilities of directors and auditors**

As described on page 11 the company's directors are responsible for the preparation of the 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 affairs of the company at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Mazars Neville Russell.*

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5 May 1999