

# HIDEFIELD LIMITED

Company No. 3993112

**FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM INCORPORATION ON**  
**15TH MAY 2000 TO**  
**30TH SEPTEMBER 2000**



**KINGSTON  
SMITH**  
*Chartered Accountants*

# Hidefield Limited

## Report of the Directors

The directors have pleasure in presenting their report and financial statements for the period from 15th May to 30th September 2000.

### Principal Activities and Business Review

The company carried on activities as an investment and holding company throughout the period. The results for the period and the financial position at the year end were considered satisfactory by the directors who expect growth in the foreseeable future.

### Results and Dividend

The results of the company for the period are set out on page 3. The directors do not recommend the payment of a dividend as the funds of the company are fully employed.

### Share Capital

The capital of the company was increased by £1,150,000 by way of issue of 11,500,000 ordinary shares of 1p at a premium of 2p each.

### Subsequent events

On 21st November 2000 the company purchased a 100 % interest in The Other Mining Company Limited for consideration of 20 million ordinary shares of 1p each in order to develop its activities of identifying, acquiring and exploiting mineral resources.

### Directors and their Interests

The directors who served the company during the period together with their interests (including family interests) in the shares of the company were as follows:

	Date of Appointment	Ordinary Shares of 1p each At 30th September 2000
D.B. Pearl	3.7.2000	2,500,000
R.B. Pearl	14.6.2000	150,000
M F. Keegan	14.6.2000	550,000

### Auditors

Kingston Smith were appointed as auditors and have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

**By Order of the Board**

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**J.M. Bottomley**  
Secretary

Fraser House  
29 Albermarle Street  
London W1S 4JB

Date:

# Hidefield Limited

## Directors' Responsibilities and Report of the Auditors

### Statement of 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 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

### Auditors' Report to the Members of Hidefield Limited

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### Respective Responsibilities of the Directors and Auditors

As described above, 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 the company's affairs at 30th September 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Kingston Smith**  
Chartered Accountants  
and Registered Auditors

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 22/11/00

**Hidefield Limited**  
**Profit and loss Account**  
**For the period 15th May 2000 to 30th September 2000**

	Note	Period from 15.5.00 to 30.9.00 £
<b>Administrative expenses - continuing activities</b>		<u>(4,858)</u>
<b>Operating loss</b>		<u>(4,858)</u>
<b>Loss on ordinary activities</b>	7	<u><u>(4,858)</u></u>

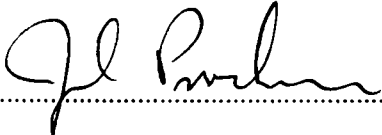
There are no other gains and losses in the period other than the loss for the period.

# Hidefield Limited

## Balance Sheet at 30th September 2000

		At 30.9.00	
	Note	£	£
<b>Fixed Assets</b>			
Investments	4		860,860
<b>Current Assets</b>			
Cash at bank		288,366	
<b>Creditors - amounts falling due within one year</b>	5	<u>(4,084)</u>	
<b>Net Current Assets</b>			<u>284,282</u>
<b>Net Assets</b>			<u><u>1,145,142</u></u>
Called up share capital	6		115,000
Share Premium account	7		1,035,000
Profit and loss account	7		<u>(4,858)</u>
<b>Shareholders' Funds</b>	7		<u><u>1,145,142</u></u>

Approved by the board of directors on 22 November 2000

  
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**Hidefield Limited**  
**Cash Flow Statement**  
For the period from 15th May 2000 to 30th September 2000

	Period from 15.5.00 to 30.9.00 £
<b>Net Cash Outflow from Operating Activities (Note 1)</b>	(774)
<b>Capital Expenditure and Financial Investment</b>	
Payments to acquire investments	<u>(860,860)</u>
	(861,634)
<b>Financing</b>	
Issue of ordinary share capital	<u>1,150,000</u>
<b>Increase in Cash (Note 2)</b>	<u><u>288,366</u></u>

**Notes to the Cash Flow Statement**

	Period from 15.5.00 to 30.9.00 £						
<b>1 Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities</b>							
Operating loss	(4,858)						
Increase in creditors	<u>4,084</u>						
<b>Net Cash Outflow from Operating Activities</b>	<u><u>(774)</u></u>						
<b>2 Reconciliation of Net Cash Flow to Movement in Net Funds</b>							
Increase in cash in the period	<u>288,366</u>						
Net funds at 30th September 2000	<u><u>288,366</u></u>						
<b>3 Analysis of Changes in Net Funds</b>							
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%; text-align: center;">At 15.5.00 £</th> <th style="width: 33%; text-align: center;">Cash Flows £</th> <th style="width: 33%; text-align: center;">At 30.9.00 £</th> </tr> </thead> <tbody> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">Cash at bank</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: center;">-</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: center;">288,366</td> </tr> </tbody> </table>	At 15.5.00 £	Cash Flows £	At 30.9.00 £	Cash at bank	-	288,366
At 15.5.00 £	Cash Flows £	At 30.9.00 £					
Cash at bank	-	288,366					

# Hidefield Limited

## Notes to the Financial Statements

### For the period ended 30th September 2000

#### 1 Accounting Policies

The significant accounting policies of the company are shown below:

##### **Basis of Accounting**

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

##### **Investments and Investment Income**

Fixed asset investments are included at cost less amounts written off. Amounts are written off when in the opinion of the directors there has been an impairment. Income from investments, other than from subsidiary undertakings, is included, net of related tax credits, in the profit and loss account in the accounting period in which it is received.

##### **Deferred Tax**

Deferred tax is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

#### 2 Staff and Directors

The average number of employees during the period was 4. Due to the size of the company there is no formal classification of duties.

The officers of the company have waived any rights to remuneration for their services in this period.

#### 3 Taxation

There is no tax charge due to the loss in the period.

#### 4 Investments

	Market	Cost at 30.9.00 £	Market Value or Directors' Valuation at 21.11.00 £
Online Classics PLC*	AIM	502,500	422,400
Weatherly International PLC - shares	AIM	38,000	41,406
Weatherly International PLC - warrants	AIM	2,000	3,438
Armitage Brooks PLC	Unlisted	55,280	55,000
Prostcare PLC	AIM	208,080	312,125
Atlantic Caspian PLC	AIM	25,978	15,000
Hearing Enhancement PLC	OFEX	29,022	16,228
		860,860	865,596

\* Of the holdings in Online Classics, 68% is subject to a call option at 70p per share expiring on 28th January 2002. The remaining 32% is subject to a commission of 20% of sales proceeds. These factors have been reflected in market value calculations.

**Hidefield Limited**  
**Notes to the Financial Statements**  
**For the period ended 30th September 2000 (Continued)**

**5 Creditors - amounts falling due within one year**

	At 30.9.00 £
Accruals	4,084

**6 Share capital**

Share capital comprises:

Ordinary shares of 1p each

	Number	£
Authorised	150,000,000	1,500,000
Issued, called up and fully paid:		
Total	11,500,000	115,000

On 24th August 2000 11,499,998 ordinary shares of 1 pence each were issued at a premium of 9 pence per share. These shares are fully paid.

**7 Shareholders' Funds**

	Profit and Loss Account £	Share Premium Account £	Share Capital £	Total £
At 15th May 2000	-	-	2	2
Issue of share capital	-	1,035,000	114,998	1,149,998
Loss for the period	(4,858)	-	-	(4,858)
At 30th September 2000	(4,858)	1,035,000	115,000	1,145,142

**8 Controlling Party**

In the opinion of the directors since there are several shareholders, with interests of similar sizes, there is no ultimate controlling party.

**Hidefield Limited**  
**Notes to the Financial Statements**  
**For the period ended 30th September 2000 (Continued)**

**9 Related Party Transactions**

Party	Relationship	Nature of transaction	Amount
M.F. Keegan	Director & Shareholder	The company purchased: 63,638 shares in Hearing Enhancement PLC 333,333 shares in Atlantic Caspian PLC	£55,000
D.B. Pearl	Director & Shareholder	The company purchased: 480,000 shares in Online Classics PLC subject to a call option in favour of Hoodless Brennan at 70p per share 625,000 shares in Weatherly International PLC 125,000 warrants in Weatherly International PLC 1,500,000 shares in Armitage Brooks PLC	£360,730
Land and Equity Pension Fund	Shareholder. D B Pearl and R Pearl are trustees of this fund	The company purchased 2,500,000 shares in Armitage Brooks PLC	£34,550

The above transactions were approved by the Board of Directors. No balances were outstanding at the period end.

**10 Subsequent Events**

On 21st November 2000 the company issued 20 million shares as consideration for the entire issued share capital of The Other Mining Company Limited.