

NOVAR SERVICES LIMITED
(formerly Caradon Services Limited)

(Registered Number 502623)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2000



NOVAR SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The Directors present their annual report together with the unaudited financial statements for the year ended 31 December 2000.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company has not traded during the year.

CHANGE OF NAME

On 29 December 2000 the name of the Company changed from Caradon Services Limited to Novar Services Limited.

DIRECTORS AND DIRECTORS' INTERESTS

The composition of the Board of Directors during the year, and to the date of this report, was as follows:

C K Bhowmik
D Burningham
A E Holland

None of the directors held any beneficial interests in shares in the Company during the year.

The interests of the directors in the issued Ordinary shares of Novar plc, the ultimate parent undertaking, are as follows:

	31 December 2000		1 January 2000 or date of Appointment	
	Ordinary Shares Number	Options over Ordinary Shares Number	Ordinary Shares Number	Options over Ordinary Shares Number
C K Bhowmik	4,888	150,323	4,579	117,366
D Burningham	25	140,576	-	107,619
A E Holland	18,515	344,045	17,857	254,749

None of the directors had any interests in the B shares of Novar plc during the year. A E Holland had an interest in 99 Preference shares of Novar plc at 1 January 2000 and 31 December 2000.

The following options over Ordinary shares of Novar plc were granted to the directors during the year.

<u>Director</u>	<u>Options Granted</u> (Number of shares)
C K Bhowmik	32,957
D Burningham	32,957
A E Holland	92,691

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None of the Directors exercised any share options during the year. Options over 3,395 shares held by A E Holland lapsed during the year.

No director was or is interested in any transaction, arrangement or agreement with the Company which was material during or at the end of the year.

The Company has continued to provide liability insurance for its directors and officers as permitted by the Companies Act 1985.

By Order of the Board



K D Richardson
Secretary

6 March 2001


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BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	31 December 2000 £	31 December 1999 £
Current Assets		10,000	10,000
Debtors	3	=====	=====
Capital and Reserves			
Called-up share capital	4	10,000 =====	10,000 =====

- (a) For the year ended 31 December 2000 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- (i) ensuring the Company keeps accounting records which comply with section 221; and
- (ii) 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, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 6 March 2001 and signed on their behalf by:



D Burningham
DIRECTOR

NOVAR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. The accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

2 COMPANY'S ACTIVITIES

During the year the Company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss (year ended 31 December 1999: £Nil).

3 DEBTORS

Debtors represent an amount owed by another Group Company.

4 SHARE CAPITAL

	<u>31 December 2000</u>	<u>31 December 1999</u>
	£	£
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	=====	=====
<u>Allotted</u>		
called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	=====	=====

5 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Novar plc, a company registered in England. The Novar Group is the largest and smallest group of which the Company is a member and for which group financial statements are prepared. Copies of these group financial statements can be obtained from Novar plc, Novar House, 24 Queens Road, Weybridge, Surrey KT13 9UX.