

Company Registration No: 1885199

ADAMHILL LIMITED

Report and Financial Statements

31 December 2001

Deloitte & Touche
London



REPORT AND FINANCIAL STATEMENTS 2001

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REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
C J Barwick
P H Feldman

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Stag Place
London SW1E 5DS

BANKERS

Barclays Bank PLC
50 Pall Mall
London SW1A 1QB

SOLICITORS

Linklaters
1 Silk Street
London EC2Y 8HQ

AUDITORS

Deloitte & Touche
Chartered Accountants
London

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITY, FUTURE PROSPECTS AND REVIEW OF DEVELOPMENTS

The principal activity of the company during the year and for the foreseeable future is the collection of licence fees and commissions.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend (2000: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office throughout the year and to date (except where noted) were as follows:

M H Marx

C J Barwick

P H Feldman (appointed 8 January 2002)

The interests of M H Marx and C J Barwick at 31 December 2001 in the 50p ordinary shares of Development Securities PLC, the ultimate parent company, and options granted to them under that company's share option scheme are disclosed in the 2001 Report and Financial Statements of that company.

PAYMENT POLICY

Amounts due to suppliers are settled promptly by Development Securities PLC on behalf of the company within their terms of payment, except in cases of dispute. The number of creditor days outstanding for the Development Securities PLC group at 31 December 2001 was seven (2000: four).

AUDITORS

A resolution concerning the reappointment of Deloitte & Touche as auditors is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S A Lanes
Secretary

29th October

2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss 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;
- state whether applicable accounting standards have been followed; and
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADAMHILL LIMITED

We have audited the financial statements of Adamhill Ltd for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and audit standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche

Chartered Accountants and Registered Auditors
London

30 October 2002

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2001

	Note	2001 £	2000 £
TURNOVER	1	1,263,788	1,349,509
Administrative expenses		<u>(1,305,228)</u>	<u>(1,804,197)</u>
LOSS BEFORE AND AFTER TAXATION FOR THE FINANCIAL YEAR	2,12	<u>(41,440)</u>	<u>(454,688)</u>

All turnover and losses derive from continuing operations. There were no recognised gains or losses or movements in shareholders' funds in the current or previous year except as shown in the profit and loss account.

BALANCE SHEET
31 December 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	402,968	404,355
Investments	7	<u>100</u>	<u>100</u>
		<u>403,068</u>	<u>404,455</u>
CURRENT ASSETS			
Debtors	8	1,057,013	1,020,346
Cash at bank and in hand		<u>34,402</u>	<u>43,739</u>
		1,091,415	1,064,085
CREDITORS: amounts falling due within one year	9	<u>(845,163)</u>	<u>(777,780)</u>
NET CURRENT ASSETS		<u>246,252</u>	<u>286,305</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>649,320</u>	<u>690,760</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000,100	1,000,100
Profit and loss account	12	<u>(350,780)</u>	<u>(309,340)</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>649,320</u>	<u>690,760</u>

These financial statements were approved by the Board of Directors on *29th October* 2002.

Signed on behalf of the Board of Directors


M H Marx
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

1 ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention on the going concern basis, as modified by the revaluation of investment properties, on the grounds that the Board of Development Securities PLC, the ultimate parent company, has indicated that it intends to support the company such that it can meet its liabilities as they fall due in the foreseeable future.

Deferred tax

Provision is made on the liability method for deferred tax resulting from short-term timing differences between profits computed for tax purposes and those computed for accounts purposes. Provision is made for other timing differences only where a liability is expected to arise in the foreseeable future.

Turnover

All turnover, comprising licence fees and commissions receivable stated net of Value Added Tax, derives from the company's principal activity carried out in the United Kingdom.

Investments in subsidiaries

The shares in subsidiaries shown as fixed assets in the balance sheet of the company are included at cost, less any deficits arising from impairment, which are charged to the profit and loss account.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

Fixtures and fittings: 5% straight line on cost

Pension schemes

The charge to the profit and loss account in the year represents the actual amount paid to the director's personal pension scheme.

Cash flow statement

The ultimate parent company, Development Securities PLC, has prepared a consolidated cash flow statement in accordance with Financial Reporting Standard No. 1, thus exempting the company from the requirement to prepare a cash flow statement.

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

2 LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

Loss on ordinary activities is stated after charging:

	2001 £	2000 £
Depreciation	<u>49,200</u>	<u>50,061</u>

The auditors' remuneration for the current and preceding financial year has been borne by the ultimate parent company, Development Securities PLC.

3 STAFF COSTS (including directors)

	2001 £	2000 £
Wages and salaries	223,257	233,006
Social security costs	22,481	26,872
Other pension costs	-	7,287
	<u>245,738</u>	<u>267,165</u>

The average monthly number of employees during the year was:	No.	No.
Office, management and sales	<u>9</u>	<u>9</u>

4 DIRECTORS' REMUNERATION

	2001 £	2000 £
Aggregate emoluments	-	136,034
Aggregate contributions to pension schemes	-	7,287
Number of directors for whom contributions have been paid	-	1

5 TAXATION

No taxation credit arises on the loss for the year due to the surrender of losses to other group companies for nil consideration.

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

6 TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost:	
At 1 January 2001	720,815
Additions	<u>47,813</u>
At 31 December 2001	<u>768,628</u>
Depreciation:	
At 1 January 2001	316,460
Charge for the year	<u>49,200</u>
At 31 December 2001	<u>365,660</u>
Net book value:	
At 31 December 2001	<u>402,968</u>
At 31 December 2000	<u>404,355</u>

7 INVESTMENTS

	2001 £	2000 £
At cost at 1 January and 31 December	<u>100</u>	<u>100</u>

The above represents a direct 100% equity holding in Pricebusters Limited, a company operating in the United Kingdom and registered in England and Wales, whose principal activity was the operation of a roller skating rink.

8 DEBTORS

	2001 £	2000 £
Amounts owed by ultimate parent company	-	408,191
Amounts owed by fellow subsidiary undertakings	355,814	242,965
Other debtors	689,365	321,914
Prepayments	<u>11,834</u>	<u>47,276</u>
	<u>1,057,013</u>	<u>1,020,346</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Amounts owed to ultimate parent company	301,040	-
Amounts owed to fellow subsidiary undertakings	519,767	519,767
Other taxation and social security	6,502	6,238
Other creditors	7,099	124,151
Accruals and deferred income	<u>10,755</u>	<u>127,624</u>
	<u>845,163</u>	<u>777,780</u>

10 DEFERRED TAX

The amount of deferred tax not provided in the accounts is:

	2001 £	2000 £
Accelerated capital allowances	<u>41,625</u>	<u>86,404</u>

11 CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised, called up, allotted and fully paid: 1,000,100 ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>

12 PROFIT AND LOSS ACCOUNT

	2001 £
At 1 January	(309,340)
Retained loss for the year	<u>(41,440)</u>
At 31 December	<u>(350,780)</u>

13 CONSOLIDATED FINANCIAL STATEMENTS

The financial statements present information about the company as an individual undertaking and consolidated financial statements are not prepared as the company is itself a wholly owned subsidiary of a company registered in England and Wales, and which prepares publicly available consolidated financial statements.

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

14 ULTIMATE AND IMMEDIATE CONTROLLING PARTIES

The ultimate parent company, controlling party and parent company of the largest group of which Adamhill Limited is a member and for which consolidated accounts are produced is Development Securities PLC. The immediate parent company is Development Securities (no1) Limited. The parent company of the smallest group of which Adamhill Limited is a member and for which consolidated accounts are produced is Development Securities (Investments) PLC. All three companies are incorporated in Great Britain and registered in England and Wales. Copies of the Report and Financial Statements of Development Securities PLC and Development Securities (Investments) PLC can be obtained from Portland House, Stag Place, London SW1E 5DS.

15 RELATED PARTY DISCLOSURE

The company is a wholly owned subsidiary undertaking and, in accordance with the exemption provided by Financial Reporting Standard No. 8, "Related Party Disclosures", transactions with other undertakings within the Development Securities PLC Group have not been disclosed within these financial statements.