

Company No. 1894782

EXPLOITS LIMITED

**ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2001**



**Registered Office:
PO Box 14
Saxmundham
Suffolk
IP17 2LQ**



EXPLOITS LIMITED
DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2001

The directors present their Report and the company's Financial Statements for the year ended 31st December 2001.

Principal Activities

The principal activities of the company during the year under review were that of food consultancy and farming. The company also has a participating profit share in a hotel.

Review of the Business

The company owes the freehold interest in a property which operates a hotel trading as Crown & Castle Hotel. This business is operated as a joint venture between the company and Mr D J Watson and Mrs R H S Watson, who is a director of the company. The company's share of the results for the year under review is recognised in the enclosed accounts, as detailed in notes 6 and 15 to these financial statements.

The directors consider the state of the company's affairs to be satisfactory.

Results and Dividends

There was a loss for the year amounting to £258 (2000 £14,700) as set out on page 4 of the financial statements. The directors do not recommend the payment of a dividend in respect of the year under review.

Fixed Assets

Additional improvement expenditure on the freehold property operated by the joint venture amounted to £29,679, as set out in note 8 to these financial statements.

Directors and Directors' Interests

The directors who held office during the year under review were as follows:

Mrs R. H. S. Watson
E. R. Thompson

The directors who held office at the end of the financial year had the following interest in the ordinary shares of the company as recorded in the register of directors' share interests:

		Interest at the end of period	Interest at beginning of period
R. H. S. Watson	£1 ordinary shares	97	97
E. R. Thompson	£1 ordinary shares	-	-

EXPLOITS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2001

Directors' Responsibilities for the Financial Statements (Continued)

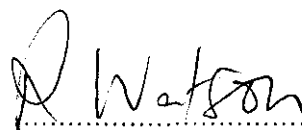
Company law in the United Kingdom requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 1 Select suitable accounting policies and then apply them consistently.
- 2 Make judgements and estimates that are reasonable and prudent.
- 3 State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 4 Prepare the financial statements on a 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.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

16th October 2002

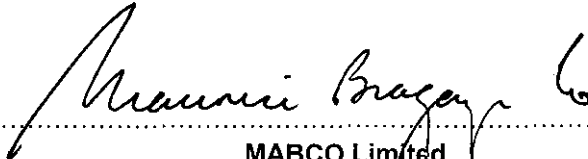


On behalf of the Board



ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF EXPLOITS LIMITED

As described on the Balance Sheet you are responsible for the preparation of the accounts for the year ended 31st December 2001 set out on pages 4 to 10 and you consider that the company is exempt from an audit and report under Section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.


.....
MABCO Limited
Chartered Accountants

Russell Chambers
The Piazza
Covent Garden
London
WC2E 8AA

16th October 2002



EXPLOITS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2001

		2001	2000
	Notes	£	£
Turnover	1	8,700	22,795
Cost of sales		<u>-</u>	<u>(452)</u>
Gross Profit		8,700	22,343
Operating costs		(31,603)	(36,204)
Exceptional items	5	<u>-</u>	<u>55,335</u>
		(22,903)	41,474
Other operating income/(losses)	6	<u>32,122</u>	<u>(44,104)</u>
Operating Profit/(Loss)		9,219	(2,630)
Interest payable and similar charges	3	<u>(11,227)</u>	<u>(11,470)</u>
Loss on ordinary activities before taxation	2	(2,008)	(14,100)
Tax on ordinary activities	4	<u>(1,750)</u>	<u>600</u>
Loss for the financial period		(258)	(14,700)
Dividends	7	<u>-</u>	<u>26,000</u>
		(258)	(40,700)
RETAINED PROFITS AT 31ST DECEMBER 2000		<u>742,050</u>	<u>782,750</u>
RETAINED PROFITS AT 31ST DECEMBER 2001		<u>741,792</u>	<u>742,050</u>

The notes on pages 7 to 10 form part of these financial statements.

There were no recognised gains or losses other than the loss for the year.



EXPLOITS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	1,087,545	1,088,771
CURRENT ASSETS			
Debtors	9	2,964	2,964
Cash at bank and in hand		-	2,399
		<u>2,964</u>	<u>5,363</u>
CREDITORS: Amounts falling due within one year	10	<u>227,367</u>	<u>228,984</u>
NET CURRENT LIABILITIES		<u>(224,403)</u>	<u>(223,621)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		863,142	865,150
CREDITORS: Amounts falling due after more than one year	11	(120,300)	(120,300)
PROVISION FOR LIABILITIES	12	(850)	(2,600)
NET ASSETS		<u><u>741,992</u></u>	<u><u>742,250</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	194	194
Other reserves		6	6
Profit and loss account		<u>741,792</u>	<u>742,050</u>
Shareholders funds	14	<u><u>741,992</u></u>	<u><u>742,250</u></u>

The notes on pages 7 to 10 form part of these financial statements.

The statements required to be made by the company's directors and the signatures required by the Companies Act 1985 are given on the following page.

EXPLOITS LIMITED

BALANCE SHEET (CONT) AS AT 31ST DECEMBER 2001

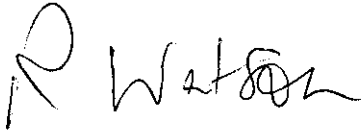
The directors have taken advantage of the exemption conferred by Section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with Section 221 of the Companies Act 1985.
- ii) The financial statements give a true and fair view of the state of affairs of the company at 31st December 2001 and of its profit or loss for the period then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Approved on 16th October 2002



.....
Mrs R. H. S. Watson
Director

EXPLOITS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001

1 ACCOUNTING POLICIES

Basis of Preparation

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

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold buildings and improvements	-	2%-5% on cost
Fittings, equipment and plant	-	10%-25% on cost

No depreciation is charged on freehold land.

Investment properties are not depreciated, but provision is made for any permanent diminution in value.

Hire purchase

The cost of assets acquired under hire purchase agreements are capitalised and written off over the estimated useful life of the asset or over the period of the agreement when such period approximates to the estimated useful life. The finance costs are charged to revenue in the period in which they accrue on a sum of digits basis.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provision of goods and services to customers during the year.



EXPLOITS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	2001	2000
	£	£
Depreciation of tangible fixed assets	30,905	30,995
Loss on disposal of fixed assets	-	2

No remuneration was paid to the directors in respect of the year under review (2000 nil).

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
On agricultural mortgage	11,227	11,470

4 TAXATION

	2001	2000
	£	£
UK corporation tax at 20% (2000 20%) on the results for the year on ordinary activities:		
Deferred taxation (credit)/charge	(1,750)	600

5 EXCEPTIONAL ITEMS

	2001	2000
	£	£
Profit on sale of property	-	55,335

6 OTHER OPERATING INCOME/(LOSSES)

Other operating income/(losses) includes a profit of £32,122 (2000 - loss £46,204) in respect of the company's share of the joint venture, also referred to under note 15.

EXPLOITS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001

7	DIVIDENDS	2001 £	2000 £
	First interim	-	14,000
	Second interim	-	12,000
		<u>-</u>	<u>26,000</u>

8	TANGIBLE FIXED ASSETS	Freehold Land and Buildings £	Fittings and Equipment £	Total £
	Cost			
	At 1st January 2001	1,109,528	134,584	1,244,112
	Additions	29,679	-	29,679
	At 31st December 2001	<u>1,139,207</u>	<u>134,584</u>	<u>1,273,791</u>
	Depreciation			
	At 1st January 2001	45,002	110,339	155,341
	Charge for the year	20,967	9,938	30,905
	At 31st December 2001	<u>65,969</u>	<u>120,277</u>	<u>186,246</u>
	Net book value:			
	At 31st December 2001	<u>1,073,238</u>	<u>14,307</u>	<u>1,087,545</u>
	At 31st December 2000	<u>1,064,526</u>	<u>24,245</u>	<u>1,088,771</u>

9	DEBTORS	2001 £	2000 £
	Recoverable ACT	<u>2,964</u>	<u>2,964</u>

The recoverable ACT set out above is repayable after more than one year.

10	CREDITORS: Amounts falling due within one year	2001 £	2000 £
	Trade	588	-
	Taxation and social security costs	15,320	15,906
	Proprietors and joint venture current account	205,290	207,646
	Accruals and deferred income	6,169	6,242
		<u>227,367</u>	<u>228,984</u>

EXPLOITS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001

11 CREDITORS: Amounts falling due after more than one year

	2001	2000
	£	£
Agricultural Mortgage	<u>120,300</u>	<u>120,300</u>

The agricultural mortgage is secured on the property of the company and is for a fixed term, repayable in the year 2005. Interest is charged at 9.95%

12 PROVISION FOR LIABILITIES

Deferred taxation	£
Balance at 1st January 2001	2,600
Released in the year	<u>(1,750)</u>
Balance at 31st December 2001	<u>850</u>

13 CALLED UP SHARE CAPITAL

	2001	2000
	£	£
Authorised		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>194</u>	<u>194</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Shareholders' funds at 1st January 2001	742,250	782,950
Loss for the year	(258)	(14,700)
Dividends	-	<u>(26,000)</u>
Shareholders' funds at 31st December 2001	<u>741,992</u>	<u>742,250</u>

15 RELATED PARTY TRANSACTIONS

The company operates a joint venture with Mrs R. H. S. Watson, a director of the company, also with Mr D. J. Watson. The company participates in 50% of the profit or loss, after a prior charge of £25,000 by Mr D. J. Watson. The company's share of the results from the joint venture profits for the year was £32,122 (2000 - loss £46,204)