

Evengain Limited
FINANCIAL STATEMENTS
for the year ended
31 December 2003



Evengain Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A J Watson
D P Bull

SECRETARY

D P Bull

REGISTERED OFFICE

Coghurst Hall
Ivyhouse Lane
Ore
Hastings
East Sussex
TN35 4NP

AUDITORS

Baker Tilly
Chartered Accountants
International House
Queens Road
Brighton
East Sussex
BN1 3XE

Evengain Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Evengain Limited for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activity is that of an investment holding company.

DIRECTORS

The directors who served the company during the year were as follows:

A J Watson

D P Bull

Neither director holds any shares in the company.

The interests of A J Watson and D P Bull in the shares of the parent company, Cinque Ports Leisure Limited, are disclosed in that company's accounts.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By order of the board



D P Bull

Company Secretary

9 July 2004

Evengain Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVENGAIN LIMITED

We have audited the financial statements on pages 6 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing 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 to you 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

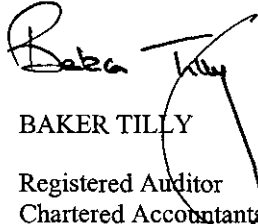
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EVENGAIN LIMITED (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
International House
Queens Road
Brighton
East Sussex
BN1 3XE

9 July 2004

Evengain Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2003

		Year to 31 Dec 03 £	Period from 1 Feb 02 to 31 Dec 02 £
	<i>Notes</i>		
TURNOVER		—	500,000
Administrative expenses		433	274,118
OPERATING (LOSS)/PROFIT	1	(433)	225,882
Interest receivable		2,028	2,237
Interest payable		—	(33,538)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,595	194,581
Taxation	3	64	6,800
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>1,531</u>	<u>187,781</u>

Evengain Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2003

	Year to 31 Dec 03 £	Period from 1 Feb 02 to 31 Dec 02 £
Profit for the financial year	1,531	187,781
Unrealised deficit on revaluation of:		
Shares in group companies brought forward	—	(223,335)
Total recognised gains and losses relating to the year	<u>1,531</u>	<u>(35,554)</u>

Evengain Limited

BALANCE SHEET

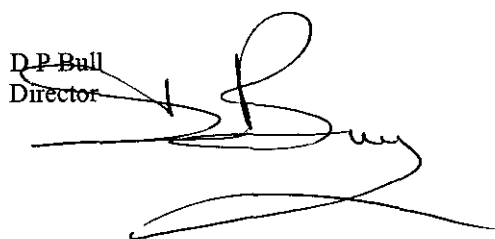
31 December 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	4	—	11,541
Investments	5	661,384	661,384
		<u>661,384</u>	<u>672,925</u>
CURRENT ASSETS			
Debtors	6	1,911,815	184,436
Cash at bank and in hand		—	499,991
		<u>1,911,815</u>	<u>684,427</u>
CREDITORS			
Amounts falling due within one year	7	2,373,777	1,145,961
NET CURRENT LIABILITIES		<u>(461,962)</u>	<u>(461,534)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>199,422</u>	<u>211,391</u>
ACCRUALS AND DEFERRED INCOME	8	—	13,500
		<u>199,422</u>	<u>197,891</u>
CAPITAL AND RESERVES			
Called up equity share capital	11	2,860	2,860
Other reserves		377	377
Profit and loss account	12	196,185	194,654
SHAREHOLDERS' FUNDS	13	<u>199,422</u>	<u>197,891</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 9 July 2004 and are signed on their behalf by:

D.P. Bull
Director



Evengain Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

CONSOLIDATION

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles - 25% reducing balance

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

INVESTMENTS

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Evengain Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

1 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	Year to 31 Dec 03	Period from 1 Feb 02 to 31 Dec 02
	£	£
Depreciation of owned fixed assets	—	3,431
Loss on disposal of fixed assets	—	1,446
Auditors' fees	—	11,175
	<u>—</u>	<u>15,052</u>

2 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 31 Dec 03	Period from 1 Feb 02 to 31 Dec 02
	£	£
Aggregate emoluments	—	69,024
Value of company pension contributions to money purchase schemes	—	1,326
	<u>—</u>	<u>70,350</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	Year to 31 Dec 03	Period from 1 Feb 02 to 31 Dec 02
	No	No
Money purchase schemes	—	1
	<u>—</u>	<u>1</u>

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 31 Dec 03	Period from 1 Feb 02 to 31 Dec 02
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2002 - 19%)	—	6,800
Over/under provision in prior year	64	—
Total current tax	<u>64</u>	<u>6,800</u>

Evengain Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

3 TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2002 - 19%).

	Year to 31 Dec 03 £	Period from 1 Feb 02 to 31 Dec 02 £
Profit on ordinary activities before taxation	<u>1,595</u>	<u>194,581</u>
Profit/(loss) on ordinary activities by the standard rate of tax	303	36,970
Expenses not deductible for tax purposes	—	241
Depreciation for the period in excess of capital allowances	—	2,201
Utilisation of tax losses	—	(32,612)
Adjustment in respect of prior period	64	—
Nil rate tax band	<u>(303)</u>	<u>—</u>
Total current tax (note 3(a))	<u>64</u>	<u>6,800</u>

4 TANGIBLE FIXED ASSETS

	Motor Vehicles £
Cost	
At 1 January 2003	17,528
Transfers	<u>(17,528)</u>
At 31 December 2003	<u>—</u>
Depreciation	
At 1 January 2003	5,987
On transfers	<u>(5,987)</u>
At 31 December 2003	<u>—</u>
Net book value	
At 31 December 2003	<u>—</u>
At 31 December 2002	<u>11,541</u>

5 INVESTMENTS

	£
Cost or valuation	
At 1 January 2003 and 31 December 2003	<u>661,384</u>
Net book value	
At 31 December 2003	<u>661,384</u>
At 31 December 2002	<u>661,384</u>

Evengain Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

5 INVESTMENTS *(continued)*

Subsidiary undertakings, associated undertakings and other investments:

The principal undertakings in which the company's interest at the period end is 20% or more are as follows:

Subsidiary undertakings	Class of share capital held	Proportion of share capital held	Nature of business
Sotuta Limited	Ordinary	100%	Caravan park
The New Walton Pier Company Limited	Ordinary	100%	Pier operator
WSG Operating Company Limited	Ordinary	100%	Weighing machine operator

Unless otherwise stated, the following figures have been extracted from audited financial statements for the period ended 31 December 2003:

Subsidiary undertakings	Aggregate share capital and reserves 31 December 2003 £	31 December 2002 £
Sotuta Limited	8,110,742	4,714,379
The New Walton Pier Company Limited	(21,420)	463,517
WSG Operating Company Limited	563,831	443,152

Subsidiary undertakings	Profit for the year ended 31 December 2003 £	31 December 2002 £
Sotuta Limited	1,066,813	151,434
The New Walton Pier Company Limited	(484,937)	80,297
WSG Operating Company Limited	120,679	66,389

6 DEBTORS

	2003 £	2002 £
Amounts owed by group undertakings	<u>1,911,815</u>	<u>184,436</u>

7 CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	6,865	—
Amounts owed to group undertakings	2,366,912	1,116,863
Corporation tax	—	6,800
Other taxation and social security	—	22,298
	<u>2,373,777</u>	<u>1,145,961</u>

Evengain Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

8 ACCRUALS AND DEFERRED INCOME

	2003	2002
	£	£
Falling due within one year:		
Accruals and deferred income	<u>—</u>	<u>13,500</u>

9 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Statement 8 "Related party disclosures" not to disclose transactions with members of the group headed by Cinque Ports Leisure Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

10 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP

The largest and smallest group in which the results of the company are consolidated is that headed by Cinque Ports Leisure Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Coghurst Hall, Ivyhouse Lane, Ore, Hastings, East Sussex, TN35 4NP. No other group accounts include the results of the company.

11 SHARE CAPITAL

	2003	2002
	£	£
Authorised:		
50,000 Ordinary shares of £0.10 each	<u>5,000</u>	<u>5,000</u>
	2003	2002
	£	£
Allotted, called up and fully paid:		
28,598 Ordinary shares of £0.10 each	<u>2,860</u>	<u>2,860</u>

12 PROFIT AND LOSS ACCOUNT

	Year to 31 Dec 03	Period from 1 Feb 02 to 31 Dec 02
	£	£
At 1 January 2003	194,654	6,873
Retained profit for the financial year	<u>1,531</u>	<u>187,781</u>
At 31 December 2003	<u>196,185</u>	<u>194,654</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	1,531	187,781
Other net recognised gains and losses	<u>—</u>	<u>(223,335)</u>
Net addition/(reduction) to funds	1,531	(35,554)
Opening shareholders' equity funds	<u>197,891</u>	<u>233,445</u>
Closing shareholders' equity funds	<u>199,422</u>	<u>197,891</u>

Evengain Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

14 GUARANTEES

The parent company's bank loans are secured by way of a legal charge over the whole group's assets.