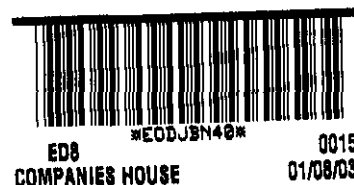


Beadtower Limited

Registered Company No 02638186



Principal Accounting Policies

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and incorporate the results of all the activities of the Company.

2 Depreciation

It is not the Company's policy to depreciate Freehold property. During 2001/2 the Company's property was refurbished. Depreciation is provided at 20% on Cost on Furniture and Furnishings except during the year of acquisition, until written off.

3 Taxation

The repayment of Corporation tax is based on the loss for the year.

4 Cashflow Statement

The Company has taken advantage of the exemption given to small Companies in Financial Reporting Standard 1 from producing a cashflow statment.

PROFIT & LOSS ACCOUNT

For the year ended 31 October 2002

2001

7,976	Rents receivable	£3,776	
<u>192</u>	Interest receivable	<u>23</u>	
<u>8,168</u>			3,799
3,458	Property Expenses	10,431	
<u>36</u>	Depreciation - Furniture & Furnshings	<u>72</u>	
<u>3,494</u>			<u>10,503</u>
4,674	OPERATING PROFIT (LOSS)	£(6,704)	
<u>82</u>	Administrative Expenses	<u>196</u>	
<u>4,592</u>	NET PROFIT (LOSS) before tax		£(6,900)
<u>385</u>	Corporation Tax at 10% (Recoverable)		<u>(720)</u>
4,207	Profit (Loss) after taxation		(6,180)
<u>5,894</u>	Balance brought forward		<u>381</u>
10,101	Available for distribution (Net Deficit)		(5,799)
<u>9,720</u>	Dividends at 0p per share (18p)		<u>Nil</u>
<u>381</u>	Balance carried forward		<u>£(5,799)</u>

Beadtower Limited

Balance Sheet

2001

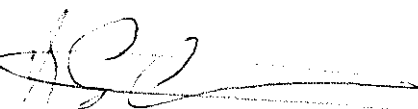
As at 31 October 2002

	FIXED ASSETS	Cost	Deprect	Net
48,637	Freehold Property	50,924	Nil	£50,924
Nil	Furniture	2,140	Nil	2,140
72	Furnishings	2,890	Nil	2,890
<u>48,709</u>		<u>55,954</u>	<u>Nil</u>	<u>£55,954</u>
	CURRENT ASSETS			
Nil	Tax repayable		720	
145	Prepayments and Debtors		187	
6,427	Bank Current/ Bus Res Account		28	
<u>6,572</u>			<u>935</u>	
	CREDITORS DUE WITHIN ONE YEAR			
Nil	Loans from Directors	4,000		
515	Sundry Creditors	4,688		
385	Corporation Tax payable	Nil		
<u>900</u>			<u>8,688</u>	
<u>5,672</u>	NET CURRENT ASSETS (LIABILITIES)			<u>(7,753)</u>
<u>£54,381</u>				<u>£48,201</u>
	AUTHORISED SHARE CAPITAL			
<u>£100,000</u>	100,000 Ordinary shares of £1 each		<u>£100,000</u>	
	ISSUED AND FULLY PAID SHARE CAPITAL			
£54,000	54,000 Ordinary shares of £1 each			£54,000
381	PROFIT & LOSS ACCOUNT Balance			<u>(5,799)</u>
<u>£54,381</u>				<u>£48,201</u>

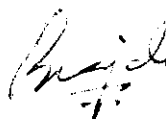
For the year ended 31 October 2002, the Company was entitled to exemption under subsection (1) of the Section 249A of the Companies Act 1985; No notice has been deposited under subsection (2) of Section 249B of the said Act; Hence these accounts have not been audited.

The Directors acknowledge their responsibilities for (i) ensuring that the Company keeps proper accounting records which comply with Section 221 and (ii) preparing accounts which give a true and fair view of the state of the Company at 31 October 2002 and of its Profit for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirement of the Act relating to accounts, so far as applicable to the Company.

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 and in the opinion of the Directors, the Company is entitled to such exemptions on the basis that it qualifies as a small Company.



R Crawford


B D Najak
Directors


G F Wilson

18 July 2003