

SUNNYCLIFF DEVELOPMENTS LIMITED
FINANCIAL STATEMENTS
31 OCTOBER 2002

Company Registration Number 2737005



HAINES WATTS
Chartered Accountants & Registered Auditors
7 - 11 Station Road
Reading
Berkshire
RG1 1LG

SUNNYCLIFF DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2002

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SUNNYCLIFF DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 OCTOBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 October 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of commercial land and property development.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE PARENT COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

	Ordinary shares in the parent company	
	At 31 October 2002	At 1 November 2001
Mr P A Ascroft	2	2
Mr J Taylor	2	2
	<hr/>	<hr/>

DIRECTORS' RESPONSIBILITIES

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

AUDITORS

A resolution to re-appoint Haines Watts as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SUNNYCLIFF DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

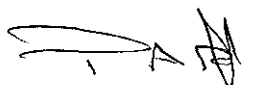
YEAR ENDED 31 OCTOBER 2002

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.

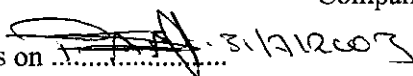
Registered office:
19 Reading Road
Pangbourne
Reading
Berkshire
RG8 8DF

Signed by order of the directors



MR P A ASCROFT
Company Secretary

Approved by the directors on



SUNNYCLIFF DEVELOPMENTS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 OCTOBER 2002

We have audited the financial statements on pages 5 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 1.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT 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.

SUNNYCLIFF DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 OCTOBER 2002

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2002 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Haines Watts

7 - 11 Station Road
Reading
Berkshire
RG1 1LG

HAINES WATTS
Chartered Accountants
& Registered Auditors

12 August 2003

SUNNYCLIFF DEVELOPMENTS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 OCTOBER 2002**

	Note	2002 £	2001 £
TURNOVER		–	1,527,582
Cost of sales		<u>18,481</u>	<u>1,282,831</u>
GROSS (LOSS)/PROFIT		(18,481)	244,751
Administrative expenses		<u>82,480</u>	<u>1,171</u>
OPERATING (LOSS)/PROFIT	2	(100,961)	243,580
Interest receivable		<u>1,168</u>	<u>9,722</u>
Interest payable		<u>(2,787)</u>	<u>(1,749)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(102,580)	251,553
Tax on (loss)/profit on ordinary activities		<u>(39,335)</u>	<u>69,110</u>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(63,245)	182,443
Balance brought forward		<u>184,908</u>	<u>2,465</u>
Balance carried forward		<u><u>121,663</u></u>	<u><u>184,908</u></u>

SUNNYCLIFF DEVELOPMENTS LIMITED

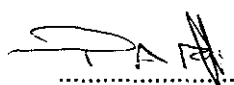
BALANCE SHEET

31 OCTOBER 2002

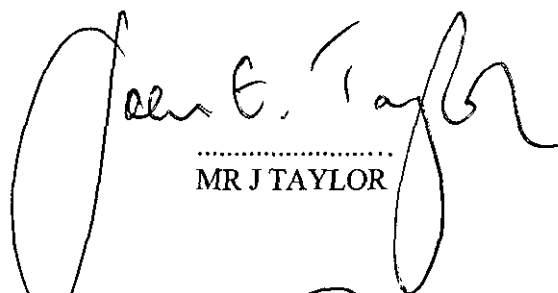
	Note	2002 £	£	2001 £	£
CURRENT ASSETS					
Stocks		32,500		32,500	
Debtors	3	330,662		432,967	
Cash at bank		13,540		—	
		<u>376,702</u>		<u>465,467</u>	
CREDITORS: Amounts falling due within one year					
	4	<u>255,037</u>		<u>280,557</u>	
NET CURRENT ASSETS			121,665		184,910
TOTAL ASSETS LESS CURRENT LIABILITIES			121,665		184,910
CAPITAL AND RESERVES					
Called-up equity share capital	6		2		2
Profit and Loss Account			<u>121,663</u>		<u>184,908</u>
SHAREHOLDERS' FUNDS			121,665		184,910

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 31/10/03 and are signed on their behalf by:



 MR P A ASCROFT



 MR J TAYLOR

SUNNYCLIFF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Cash flow statement

In the opinion of the directors, the company qualifies as a small company and accordingly a cash flow statement is not required.

Turnover

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

Work in progress

Work in progress comprises freehold land and property for development. In the case of freehold land, cost means purchase price plus attributable legal fees. In the case of work in progress, cost consists of direct material, direct labour and attributable site overheads.

The freehold land, property for development and work in progress have been valued at the lower of cost and net realisable value. Net realisable value means estimated selling price, less all further costs to completion and all costs to be incurred in marketing and selling.

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2002 £	2001 £
Directors' emoluments	—	—
Auditors' fees	<u>1,500</u>	<u>1,500</u>

3. DEBTORS

	2002 £	2001 £
Trade debtors	30,660	—
Amounts owed by group undertakings	—	114,315
Called up share capital not paid	2	2
Other debtors	<u>300,000</u>	<u>318,650</u>
	<u>330,662</u>	<u>432,967</u>

SUNNYCLIFF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2002

4. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	—	14,476
Trade creditors	35,111	19,331
Amounts owed to group undertakings	1,261	—
Corporation tax	29,985	69,981
Other taxation	2,385	—
Other creditors	186,295	176,769
	<u>255,037</u>	<u>280,557</u>

5. RELATED PARTY TRANSACTIONS

At the balance sheet date, the company owed £1,261 (2001:(was owed) £114,314) to Median Developments Limited, a related company. Median Developments Limited recharged costs of £75,576 to the company during the year.

Median Developments Limited is related through common directors and shareholders.

6. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and unpaid:

	2002	2001
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>

7. ULTIMATE PARENT COMPANY

The ultimate holding company is Archvalue Limited, a company incorporated in England.

The ultimate controlling parties are the directors, Mr P Ascroft and Mr J Taylor, who own 100% of the share capital of Archvalue Limited.