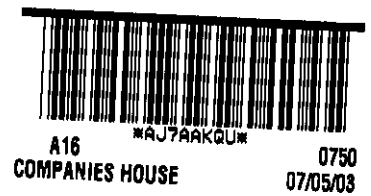


Sunnycliff Developments Limited
Financial Statements
for the year ended 31st October 2001



Sunnycliff Developments Limited

Company Information

Company No: 2737005

Registered Office

19 Reading Road
Pangbourne
Reading
Berkshire
RG8 7LT

Directors

Mr P A Ascroft
Mr J E Taylor

Secretary

Mr P A Ascroft

Auditors

BKR Haines Watts Reading
7/11 Station Road
Reading
BERKS
RG1 1LG

Bankers

Bank of Scotland
36 Castle Street
Liverpool
L2 0NT

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Directors' Report

for the year ended 31st October 2001

The directors submit their report together with the audited financial statements for the year ended 31st October 2001.

Directors' Statement

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 for that year. 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, subject to any material departures disclosed and explained in the financial statements;

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 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.

Principal Activity

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

Directors

The directors, none of whom is beneficially interested in the shares of the company, who served during the year were as follows:

Mr P A Ascroft
Mr J E Taylor

Their beneficial interests in the share capital of the holding company, Archvalue Limited, were as follows:

	Ordinary shares of £1 each	
	2001	2000
	No.	No.
Mr P A Ascroft	2	2
Mr J E Taylor	2	2

Sunnycliff Developments Limited

Directors' Report

for the year ended 31st October 2001

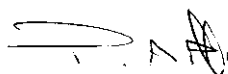
Auditors

The Auditors, BKR Haines Watts Reading, Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

Exemption Statement

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

By Order of the Board:



Mr P A Ascroft, Secretary

30 APR 2003

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st October 2001

We have audited the financial statements on pages 4 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 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 the 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.

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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 31st October 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Haines Watts

**Haines Watts
Chartered Accountants
and Registered Auditors
7/11 Station Road
Reading
BERKS
RG1 1LG**

06 MAY 2003

Sunnycliff Developments Limited**Profit and Loss Account****for the year ended 31st October 2001**

	Notes	2001 £	2000 £
Turnover	2	1,527,582	-
Cost of sales		(1,282,831)	-
Gross profit		244,751	-
Administrative expenses		(1,171)	(659)
Operating profit/(loss)	3	243,580	(659)
Interest receivable	4	9,722	3,791
Interest payable	5	(1,749)	(17)
Profit on ordinary activities before Taxation		251,553	3,115
Tax on profit on ordinary activities	6	(69,110)	(650)
Profit on ordinary activities after Taxation		182,443	2,465
Retained profit brought forward		2,465	-
Retained profit carried forward		184,908	2,465

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Sunnycliff Developments Limited**Balance Sheet****as at 31st October 2001**

	Notes	2001 £	2001 £	2000 £	2000 £
Current Assets					
Stock	7	32,500		103,451	
Debtors	8	432,966		109,463	
Cash at Bank and in hand		-		93,445	
		<u>465,466</u>		<u>306,359</u>	
Creditors:					
Amounts falling due within one year	9	<u>(280,556)</u>		<u>(303,892)</u>	
Net Current Assets			<u>184,910</u>		<u>2,467</u>
Capital and Reserves					
Called up share capital	10		2		2
Profit and loss account			<u>184,908</u>		<u>2,465</u>
Equity Shareholders' Funds	11		<u>184,910</u>		<u>2,467</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the board on . 30 APR 2003

..... Mr P A Ascroft

Directors

1 Principal Accounting Policies*Accounting Convention*

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

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

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Stocks

Stock comprises freehold land and property for development and stock and work in progress on development sites. 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 the stock and work in progress have been valued at the lower of costs 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.

Financial Reporting Standard for Smaller Entities

These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities.

2 Turnover

The turnover and operating profit/(loss) for the year was derived from the company's principal activity as was carried out wholly in the UK.

3 Operating Profit/(Loss)

The operating profit/(loss) is stated after charging or crediting:

	2001	2000
	£	£
Amounts payable to the auditors in respect of audit services	1,500	-

4 Interest Receivable

	2001	2000
	£	£
Deposit interest receivable	9,722	3,791

Sunnycliff Developments Limited

Notes to the Financial Statements

for the year ended 31st October 2001

5	Interest Payable	2001	2000
		£	£
	Bank loans and overdrafts	1,749	17
6	Tax on Profit on Ordinary Activities	2001	2000
		£	£
	Based on the profit for the year:		
	U.K. Corporation tax at 20%	69,320	650
	Over provision from previous period	(210)	-
		69,110	650
7	Stocks	2001	2000
		£	£
	Work In Progress	32,500	103,451
8	Debtors	2001	2000
		£	£
	Trade debtors	-	1,763
	Amounts owed by related undertaking	114,314	106,000
	Other debtors	318,652	1,700
		432,966	109,463
9	Creditors: Amounts falling due within one year	2001	2000
		£	£
	Bank overdraft	14,476	-
	Trade creditors	19,331	74,386
	Other creditors	176,768	228,856
	Corporation tax	69,981	650
		280,556	303,892
10	Share Capital		
	Authorised	2001	2000
		£	£
	100 Ordinary shares of £1 each (2000: 100)	100	100
		100	100
	Allotted, called up and partly paid	2001	2000
		£	£
	2 Ordinary shares of £1 each (2000: 2)	2	2

Sunnycliff Developments Limited

Notes to the Financial Statements

for the year ended 31st October 2001

11	Reconciliation of the Movement in Shareholders' Funds	2001	2000
		£	£
	Profit for the financial year	182,443	2,465
	Increase in shareholders' funds	182,443	2,465
	Opening shareholders' funds	2,467	2
	Closing shareholders' funds	184,910	2,467

12 Related Party Transactions

At the end of the year the company was owed £114,314 (2000: £106,000) from Median Developments Limited, a related company.

Median Developments Limited is a related company through common directors and shareholders.

13 Ultimate Parent Undertaking

The ultimate holding company of Sunnycliff Developments Limited is Archvalue Limited, a company incorporated in the United Kingdom.

The ultimate controlling parties are the Directors, Mr Ascroft & Mr Taylor, who own 100% of the share capital of Archvalue Limited.