

Financial Statements - 31 December 2001

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C-SIDE LIMITED

General Information

DIRECTORS:

N A Downs
K J Johnson
L R Simon

SECRETARY:

L R Simon

REGISTERED OFFICE:

37 Frederick Place
BRIGHTON
BN1 4EA

REGISTERED AUDITORS:

Mazars Neville Russell
37 Frederick Place
BRIGHTON
BN1 4EA

REGISTERED NUMBER:

2892663

C-SIDE LIMITED

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2001.

STATEMENT OF 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 and of the profit or loss of the company 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;
- comply with applicable United Kingdom accounting standards subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was as operators within the leisure industry.

RESULTS

The results of the company for the year ended 31 December 2001 are set out in the financial statements on page 5.

DIRECTORS

The directors set out below have held office during the whole of the year from 1 January 2001 to the date of this report. The interest of the directors holding office on 31 December 2001 in the shares of the company, according to the register of directors' interests were as shown below.

	Ordinary shares	
	31 December 2001	1 January 2001
M Webb (resigned 13 March 2001)		116
S Kirby (resigned 13 March 2001)		116
G A Beal (resigned 31 May 2002)	-	-
N A Downs	-	-
K J Johnson (appointed 12 March 2001)	-	-
L R Simon (appointed 12 March 2001)	-	-

The interests of the directors in the ultimate parent company, C-Side (Holdings) Limited are set out in the directors' report of that company.

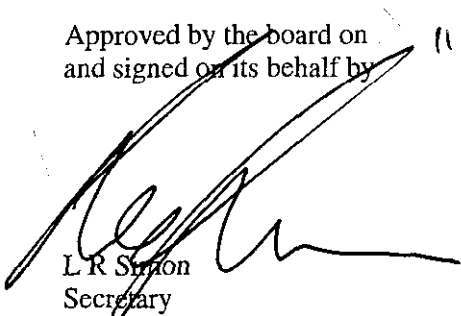
C-SIDE LIMITED

Directors' Report (continued)

AUDITORS

A resolution to re-appoint Mazars Neville Russell as auditors will be proposed at the forthcoming annual general meeting.

Approved by the board on 11 June 2002.
and signed on its behalf by



L. R. Simon
Secretary

37 Frederick Place
BRIGHTON
BN1 4EA

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF C-SIDE LIMITED

We have audited the financial statements of C-Side Limited for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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. 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Marcus Neville Russell

MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors

37 Frederick Place
BRIGHTON
BN1 4EA

11 June 2002

C-SIDE LIMITED

Profit and Loss Account For the Year Ended 31 December 2001

	Notes	2001 £	2000 £
TURNOVER	2	9,431,049	7,749,077
Cost of sales		(2,475,273)	(2,160,600)
GROSS PROFIT		6,955,776	5,588,477
Administrative expenses		(4,576,899)	(3,663,376)
OPERATING PROFIT	3	2,378,877	1,925,101
Interest receivable and similar income	4	13,533	9,923
Interest payable and similar charges	5	(17,545)	(20,732)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,374,865	1,914,292
Tax on profit on ordinary activities	8	(499,857)	(611,332)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,875,008	1,302,960
Dividends	9	-	(152,000)
RETAINED PROFIT FOR THE YEAR		<u>£1,875,008</u>	<u>£1,150,960</u>

Statement of Total Recognised Gains and Losses

	2001 £	2000 £
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	1,875,008	1,302,960
Realised movement on revaluation of property	-	209,337
Total recognised gains relating to the year	<u>£1,875,008</u>	<u>£1,512,297</u>

C-SIDE LIMITED

Balance Sheet at 31 December 2001

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Intangible assets	10		172,522		202,522
Tangible assets	11		3,932,437		2,323,237
Investments	12		356,532		356,532
			<u>4,461,491</u>		<u>2,882,291</u>
CURRENT ASSETS					
Stocks	14	228,868		118,021	
Debtors	15	827,657		656,337	
Cash at bank and in hand		1,114,340		439,739	
		<u>2,170,865</u>		<u>1,214,097</u>	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(2,036,919)		(1,366,176)	
NET CURRENT ASSETS (LIABILITIES)			<u>133,946</u>		<u>(152,079)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,595,437		2,730,212
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17		-		(9,783)
NET ASSETS			<u>£4,595,437</u>		<u>£2,720,429</u>
CAPITAL AND RESERVES					
Called up share capital	18		232		232
Revaluation reserve	19		-		209,337
Profit and loss account	19		4,595,205		2,510,860
EQUITY SHAREHOLDERS' FUNDS	20		<u>£4,595,437</u>		<u>£2,720,429</u>

Approved by the board on 11 June 2002, and signed on its behalf by


L.R. Simor - Director

**Notes to the Financial Statements
For the Year Ended 31 December 2001**

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

(a) Basis of preparation of financial statements

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

The company has taken advantage of the exemption from preparing consolidated accounts afforded by section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of C-Side (Holdings) Limited which prepares consolidated accounts which are publicly available. The company is also, on this basis, exempt from the requirement of FRS1 to present a cash flow statement.

(b) Turnover

Turnover represents the total invoice value, excluding valued added tax, of sales made during the year.

(c) Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

(d) Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost of valuation less residual value of each asset over its expected useful life, as follows:

Freehold land	- No depreciation
Freehold buildings	- Straight line over 50 years
Leasehold properties	- Straight line over the life of the lease
Fixtures, fittings and equipment	- 25% Reducing balance
Motor vehicles	- 25% Reducing balance

(e) Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

(f) Investments

Fixed asset investments are stated at cost less provision for diminution in value.

C-SIDE LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2001

1 ACCOUNTING POLICIES (continued)

(g) Stock

Stock is valued at the lower of cost and net realisable value.

(h) Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3 OPERATING PROFIT

	2001 £	2000 £
Operating profit is stated after charging (crediting):		
Amortisation of intangible assets	30,000	30,000
Depreciation of tangible assets	248,907	194,626
Profit on disposal of fixed assets	(193,684)	-
Auditors' remuneration	4,100	9,000
	<u> </u>	<u> </u>

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2001	2000
Bank interest	£13,533	£9,923
	<u> </u>	<u> </u>

C-SIDE LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2001

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Hire purchase interest	-	11,276
On overdue tax	17,545	9,456
	<u>£17,545</u>	<u>£20,732</u>

6 EMPLOYEES

	2001 Number	2000 Number
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:		
Management and administration	10	9
Sales	242	211
	<u>252</u>	<u>220</u>
	2001	2000

Employment costs

The aggregate payroll cost of these employees was as follows:

Wages and salaries	<u>£2,619,231</u>	<u>£2,204,671</u>
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7 DIRECTORS' EMOLUMENTS

	2001	2000
Remuneration and other emoluments	<u>£19,178</u>	<u>£28,500</u>

C-SIDE LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2001

8 TAXATION

	2001 £	2000 £
UK current year taxation		
UK corporation tax at 30% (2000 - 30%)	£499,857	£611,332

9 DIVIDENDS

	2001	2000
Dividends on equity shares		
Ordinary shares - interim paid	-	£152,000

10 INTANGIBLE FIXED ASSETS

	Goodwill £
COST OR VALUATION	
At 1 January 2001 and 31 December 2001	£300,000
PROVISION FOR DIMINUTION IN VALUE	
At 1 January 2001	97,478
Charge for the year	30,000
At 31 December 2001	£127,478
NET BOOK VALUES	
At 31 December 2001	£172,522
At 31 December 2000	£202,522

C-SIDE LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2001

11 TANGIBLE FIXED ASSETS

	Land and buildings freehold £	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
COST					
At 1 January 2001	1,218,040	823,949	905,133	48,724	2,995,846
Additions	1,684,051	25,407	656,390	-	2,365,848
Revaluation reserve	(209,337)	-	-	-	(209,337)
Disposals	(295,350)	-	(29,976)	-	(325,326)
At 31 December 2001	<u>£2,397,404</u>	<u>£849,356</u>	<u>£1,531,547</u>	<u>£48,724</u>	<u>£4,827,031</u>
DEPRECIATION					
At 1 January 2001	27,900	123,664	492,371	28,674	672,609
Charge for the year	31,525	39,691	172,678	5,013	248,907
Disposals	(6,057)	-	(20,865)	-	(26,922)
At 31 December 2001	<u>£53,368</u>	<u>£163,355</u>	<u>£644,184</u>	<u>£33,687</u>	<u>£894,594</u>
NET BOOK VALUES					
At 31 December 2001	<u>£2,344,036</u>	<u>£686,001</u>	<u>£887,363</u>	<u>£15,037</u>	<u>£3,932,437</u>
At 31 December 2000	<u>£1,190,140</u>	<u>£700,285</u>	<u>£412,762</u>	<u>£20,050</u>	<u>£2,323,237</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2001		2000	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Fixtures, fittings and equipment	23,422	7,808	31,230	10,410
Motor vehicles	9,160	3,053	12,213	4,071
	<u>£32,582</u>	<u>£10,861</u>	<u>£43,443</u>	<u>£14,481</u>

C-SIDE LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2001

12 FIXED ASSET INVESTMENTS

	Subsidiary undertakings shares £
COST	
At 1 January 2001 and 31 December 2001	£356,532
NET BOOK VALUES	
At 31 December 2001 and 31 December 2000	£356,532

13 HOLDING OF 20% OR MORE

The company holds 20% of or more of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Proportion	Nature of business
Cactus Canteen Limited	England and Wales	Ordinary	100%	Restaurateurs
Squid and Starfish Limited	England and Wales	Ordinary	100%	Publicans, night-club and fitness centre
G-Side Limited	England and Wales	Ordinary	100%	Dormant
Polar Bar Limited	England and Wales	Ordinary	100%	Dormant
The Zap Club Limited	England and Wales	Ordinary	100%	Dormant

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Cactus Canteen Limited	63,784	476
Squid and Starfish Limited	538,057	287,686
G-Side Limited	2	-
Polar Bar Limited	2	-
The Zap Club Limited	2	-

14 STOCKS

	2001	2000
Finished goods and goods for resale	£228,868	£118,021

C-SIDE LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2001

15 DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	544,011	83,140
Deposits on new ventures	-	150,602
Other debtors	35,455	648
Directors' loan accounts	-	227,814
Prepayments and accrued income	248,191	194,133
	<u>£827,657</u>	<u>£656,337</u>

16 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Net obligations under finance leases and hire purchase contracts	3,344	11,543
Trade creditors	439,807	429,709
Amounts owed to connected companies	195,592	-
Corporation tax	793,811	624,332
Other taxes and social security costs	392,945	172,165
Other creditors	18,569	5,000
Accruals and deferred income	192,851	123,427
	<u>£2,036,919</u>	<u>£1,366,176</u>

The company has provided its leasehold and freehold property as security for a loan to its ultimate parent company.

17 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001	2000
Net obligations under finance leases and hire purchase contracts	-	£9,783
	<u>=</u>	<u>=</u>

C-SIDE LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2001

18 SHARE CAPITAL

	2001 £	2000 £
Authorised equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid equity		
232 Ordinary shares of £1 each	<u>232</u>	<u>232</u>

19 EQUITY RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2001	209,337	2,510,860	2,720,197
Revalued property sold in year	(209,337)	209,337	-
Retained profit for the year	-	1,875,008	1,875,008
At 31 December 2001	<u>-</u>	<u>£4,595,205</u>	<u>£4,595,205</u>

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year	1,875,008	1,302,960
Dividends	-	(152,000)
Net proceeds of equity share issue	<u>1,875,008</u>	<u>1,150,960</u>
Share issue	-	132
Recognised gains and losses	-	209,337
Net addition to shareholders' funds	<u>1,875,008</u>	<u>1,360,429</u>
Opening shareholders' funds	<u>2,720,429</u>	<u>1,360,000</u>
	<u>£4,595,437</u>	<u>£2,720,429</u>

C-SIDE LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2001

21 FINANCIAL COMMITMENTS

Operating leases rentals in respect of land and buildings amounting to £630,250 (2000 - £466,250) fall due within 12 months. These commitments expire after 5 years.

22 CAPITAL COMMITMENTS

	2001	2000
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	-	£1,359,000
	=	<u><u> </u></u>

23 TRANSACTIONS WITH DIRECTORS

The following directors had interest-free loans during the year. The movements on these loans are as follows:

	2001	Amount owing 2000	Maximum in year
	£	£	£
M Webb	-	113,577	133,577
S Kirby	-	114,237	299,737
	=	<u><u> </u></u>	<u><u> </u></u>

The advances to directors were in contravention of Section 330 of the Companies Act 1985.

24 RELATED PARTY TRANSACTIONS

The company has taken advantage of FRS8 not to disclose related party transactions with other members of the group.

25 CONTROLLING PARTY

The ultimate parent undertaking is C-Side (Holdings) Limited, a company registered in England and Wales.