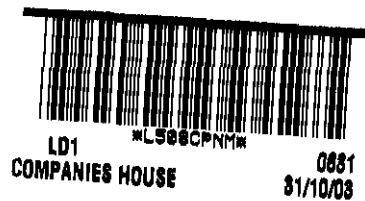


CCLV HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2002

Company Registration Number 02953938



CCLV HOLDINGS LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditors' report to the shareholders	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed profit and loss account	14
Notes to the detailed profit and loss account	15

CCLV HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

G M Lee
D G Barker
R F M Adair
N J C Turnbull
F L G Ahlvin

Company secretary

T G Walsh

Registered office

1 Portland Place
LONDON
W1B 1PN

Auditors

Thompson Taraz
Chartered Accountants
& Registered Auditors
3 New Burlington Mews
Mayfair
London W1B 4QB

CCLV HOLDINGS LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 October 2001 to 31 December 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is an investment holding company.

The Directors are satisfied with the company's results for the period and the position at the period end when viewed within the group context and do not envisage any significant changes to the business activities within the forthcoming year.

RESULTS AND DIVIDENDS

The trading results for the period, and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

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

G M Lee
D G Barker
R F M Adair
N J C Turnbull
F L G Ahlvin

None of the directors had any interest in the share capital of the company during the year. Details of the directors' interests in the group are disclosed in the parent company.

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 period and of the profit or loss for the period then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, 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; 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 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.

CCLV HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

AUDITORS

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

Registered office:
1 Portland Place
London
W1B 1PN

Signed by order of the directors



T G WALSH

Company Secretary

Approved by the directors on 22 October 2003

CCLV HOLDINGS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

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 2.

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.

OPINION

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

3 New Burlington Mews
Mayfair
London W1B 4QB

22 October 2003


THOMPSON TARAZ
Chartered Accountants
& Registered Auditors

CCLV HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

	Note	31 Dec 02 £	Year to 30 Sep 01 £
TURNOVER		—	—
Administrative expenses		(18,559)	(26,650)
OPERATING LOSS	2	(18,559)	(26,650)
Income from shares in group undertakings	4	772,242	1,985,000
Interest receivable		11	—
Interest payable	5	(276,180)	(329,450)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		477,514	1,628,900
Tax on profit on ordinary activities	6	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		477,514	1,628,900
Dividends	7	—	(1,800,000)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		477,514	(171,100)

All of the activities of the company are classed as continuing.

The notes on pages 8 to 12 form part of these financial statements.

CCLV HOLDINGS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

	31 Dec 02 £	Year to 30 Sep 01 £
Profit for the financial period attributable to the shareholders	477,514	1,628,900
Unrealised profit/(loss) on revaluation of: Investment in subsidiary undertakings	<u>200,588</u>	<u>(2,193,607)</u>
Total gains and losses recognised since the last annual report	<u><u>678,102</u></u>	<u><u>(564,707)</u></u>

The notes on pages 8 to 12 form part of these financial statements.

CCLV HOLDINGS LIMITED

BALANCE SHEET

31 DECEMBER 2002

	Note	31 Dec 02 £	30 Sep 01 £
FIXED ASSETS			
Investments	8	3,920,903	3,720,315
CURRENT ASSETS			
Debtors	9	2,192,532	2,080,948
Cash at bank		—	186,425
		<u>2,192,532</u>	<u>2,267,373</u>
CREDITORS: Amounts falling due within one year	10	<u>591,667</u>	<u>476,522</u>
NET CURRENT ASSETS		<u>1,600,865</u>	<u>1,790,851</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,521,768</u>	<u>5,511,166</u>
CREDITORS: Amounts falling due after more than one year	11	<u>2,658,333</u>	<u>3,325,833</u>
		<u>2,863,435</u>	<u>2,185,333</u>
CAPITAL AND RESERVES			
Called-up share capital	15	1,211,111	1,211,111
Share premium account		1,213,889	1,213,889
Revaluation reserve	17	109,117	(91,471)
Profit and Loss Account	18	329,318	(148,196)
SHAREHOLDERS' FUNDS (including non-equity interests)	19	<u>2,863,435</u>	<u>2,185,333</u>

These financial statements were approved by the directors on the 22 October 2003 and are signed on their behalf by:


N J C TURNBULL

The notes on pages 8 to 12 form part of these financial statements.

CCLV HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

1. 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, and in accordance with applicable accounting standards.

Consolidation

The company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated 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 wholly owned and its parent publishes a consolidated cash flow statement.

Costs of raising loan finance

In accordance with Financial Reporting Standard No 4 costs incurred in raising finance are netted off against the loan proceeds and amortised over the life of the loan.

Investment in Subsidiary Undertakings

The company accounts for its investment in its subsidiary undertakings by the equity method whereby the original cost of the investment is adjusted for changes in the value of the underlying net assets.

2. OPERATING LOSS

Operating loss is stated after charging:

	31 Dec 02 £	Year to 30 Sep 01 £
Directors' emoluments	—	—
Auditors' remuneration - as auditors	<u>1,500</u>	<u>2,000</u>

3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the period.

There were no persons employed by the company during the period, (2001:none).

4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	31 Dec 02 £	Year to 30 Sep 01 £
Income from unlisted investments	<u>772,242</u>	<u>1,985,000</u>

CCLV HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

5. INTEREST PAYABLE

	31 Dec 02	Year to 30 Sep 01
	£	£
Interest payable on bank borrowing	276,180	280,695
Other similar charges payable	—	48,755
	<u>276,180</u>	<u>329,450</u>

Included in other similar charges payable is £nil (2001:£48,755) payable on inter-company loans.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 20% (2001 - 20%).

	31 Dec 02	Year to 30 Sep 01
	£	£
Profit on ordinary activities before taxation	477,514	1,628,900
Profit/(loss) on ord actvs by rate of tax	95,503	325,780
Surrender to Group Relief	(95,503)	(325,780)
Total current tax	<u>—</u>	<u>—</u>

7. DIVIDENDS

The following dividends have been paid in respect of the period:

	31 Dec 02	Year to 30 Sep 01
	£	£
Dividend paid on ordinary shares	<u>—</u>	<u>1,800,000</u>

8. INVESTMENTS

	Investment in subsidiary undertaking £
COST OR VALUATION	
At 1 October 2001	3,720,315
Revaluations	200,588
At 31 December 2002	<u>3,920,903</u>
NET BOOK VALUE	
At 31 December 2002	<u>3,920,903</u>
At 30 September 2001	<u>3,720,315</u>

The company holds 90% of the ordinary share capital of CCL Veloduct Limited, a company registered in England and Wales and which is engaged in the sale of components to the construction industry.

CCLV HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

9. DEBTORS

	31 Dec 02	30 Sep 01
	£	£
Amounts owed by group undertakings	2,189,594	2,080,948
Other debtors	438	—
Prepayments and accrued income	2,500	—
	<u>2,192,532</u>	<u>2,080,948</u>

10. CREDITORS: Amounts falling due within one year

	31 Dec 02	30 Sep 01
	£	£
Bank loans and overdrafts	560,000	430,000
Trade creditors	2,939	—
Accruals and deferred income	28,728	46,522
	<u>591,667</u>	<u>476,522</u>

The bank loan has been guaranteed by CCL Veloduct Limited, the company's subsidiary, Skye Holdings Limited, the company's parent undertaking and is secured by a first and only debenture over the assets of that company.

11. CREDITORS: Amounts falling due after more than one year

	31 Dec 02	30 Sep 01
	£	£
Bank loans and overdrafts	<u>2,658,333</u>	<u>3,325,833</u>

The bank loan carried interest at base plus 2% and was secured by a debenture and composite guarantee from group companies.

12. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	31 Dec 02	30 Sep 01
	£	£
In one year or less, or on demand	670,000	430,000
Between one and two years	830,000	430,000
Between two and five years	1,158,333	1,295,833
In five years or more	—	1,600,000
	<u>2,658,333</u>	<u>3,755,833</u>

13. RELATED PARTY TRANSACTIONS

During the period the company was charged for office facilities and support personnel services amounting to £4,500 (2001:£14,583) from Terrace Hill Partnership. The amount owed to Terrace Hill Partnership at 31 December 2002 was £nil (2001:£nil). R F M Adair and N J C Turnbull, Directors of the company, are partners in Terrace Hill Partnership.

Payment was made to an undertaking in which N J C Turnbull had a direct interest for consultancy, professional and office expenses amounting to £4,500 (2001: £nil)

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related Party Transactions', not to disclose any transactions with entities that are included in the consolidated financial statements of Skye Holdings Limited.

CCLV HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

14. CONTROLLING RELATED PARTY

The immediate parent company is Skye Investments Limited a company registered in England and Wales. The ultimate parent company of Skye Holdings Limited Limited is Skye Investments Limited which is registered in England and Wales. Skye Investments Limited is the parent company of the largest group of companies for which group accounts have been drawn up. Copies of the group accounts of Skye Investments Limited are available from No. 1 Portland Place, London W1B 1PN.

R F M Adair is a director of Skye Investments Limited.

15. SHARE CAPITAL

Authorised share capital:

	31 Dec 02	30 Sep 01
	£	£
1,111,111 Ordinary shares of £1 each	1,111,111	1,111,111
100,000 Convertible deferred shares of £1 each	100,000	100,000
	<u>1,211,111</u>	<u>1,211,111</u>

Allotted, called up and fully paid:

	31 Dec 02		30 Sep 01	
	No	£	No	£
Ordinary shares of £1 each	1,111,111	1,111,111	1,111,111	1,111,111
Convertible deferred shares of £1 each	100,000	100,000	100,000	100,000
	<u>1,211,111</u>	<u>1,211,111</u>	<u>1,211,111</u>	<u>1,211,111</u>

16. EQUITY AND NON EQUITY SHARES ISSUED

CCLV Holdings Limited issued 111,111 Ordinary Shares of £1 each and 100,000 Convertible Deferred Shares of £1 each. The Convertible Deferred Shares do not have a right to receive notice of or to attend or vote at any general meeting of the company and cannot be transferred without the prior written consent of the other shareholders. The holders of the Convertible Deferred Shares have no right to receive any dividend or other distribution. The Convertible Deferred Shares have on a return of capital in a liquidation only, a right to receive the amount paid up on each such share but not after the other of each Ordinary Share shall have received £10,000,000 per share and the holders of the Convertible Deferred Shares shall not be entitled to any further participation in the assets or profits of the company.

The Deferred shareholders have a right to conversion of the Convertible Deferred Shares into Ordinary Shares, upon approval of the Ordinary Shareholders. The Convertible Deferred Shares must be converted into fully paid Ordinary Shares and will rank from the conversion date pari passu with the Ordinary Shares. The Convertible Deferred Shares can only be converted within four years after 16 February 2001.

17. REVALUATION RESERVE

	31 Dec 02	Year to 30 Sep 01
	£	£
Balance brought forward	(91,471)	2,102,136
Revaluation of fixed assets	200,588	(2,193,607)
Balance carried forward	<u>109,117</u>	<u>(91,471)</u>

CCLV HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2001 TO 31 DECEMBER 2002

18. PROFIT AND LOSS ACCOUNT

	31 Dec 02	Year to 30 Sep 01
	£	£
Balance brought forward	(148,196)	22,904
Retained profit/(accumulated loss) for the financial period	<u>477,514</u>	<u>(171,100)</u>
Balance carried forward	<u>329,318</u>	<u>(148,196)</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

EQUITY SHAREHOLDERS' FUNDS

	31 Dec 02	30 Sep 01
	£	£
Profit for the financial period	477,514	1,628,900
Dividends	—	(1,800,000)
	<u>477,514</u>	<u>(171,100)</u>
Other net recognised gains and losses	200,588	(2,193,607)
New equity share capital subscribed	—	111,111
Premium on new share capital subscribed	—	963,889
	<u>—</u>	<u>1,075,000</u>
Net addition/(reduction) to funds	678,102	(1,289,707)
Opening shareholders' equity funds	2,085,333	3,375,040
Closing shareholders' equity funds	<u>2,763,435</u>	<u>2,085,333</u>

NON-EQUITY SHAREHOLDERS' FUNDS

New non-equity share capital subscribed	100,000	100,000
Closing shareholders' non-equity funds	<u>100,000</u>	<u>100,000</u>
TOTAL SHAREHOLDERS' FUNDS	<u>2,863,435</u>	<u>2,185,333</u>