

COMPANY REGISTRATION NUMBER 02953938

**CCLV HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2003**



**CCLV HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2003**

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**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  
S G Carr

**Company secretary**

T G Walsh

**Registered office**

1 Portland Place  
LONDON  
W1B 1PN

**Auditors**

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

**CCLV HOLDINGS LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2003**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

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 year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

**DIRECTORS**

The directors who served the company during the year 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 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 9, 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)*  
**YEAR ENDED 31 DECEMBER 2003**

**AUDITORS**

A resolution to re-appoint Thompson Taraz LLP 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 2004

**CCLV HOLDINGS LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**CCLV HOLDINGS LIMITED**  
**YEAR ENDED 31 DECEMBER 2003**

We have audited the financial statements on pages 6 to 14 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 9.

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 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 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 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.

**CCLV HOLDINGS LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**CCLV HOLDINGS LIMITED** *(continued)*  
**YEAR ENDED 31 DECEMBER 2003**

**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 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Thompson Taraz LLP*

THOMPSON TARAZ LLP  
Chartered Accountants  
& Registered Auditors

3 New Burlington Mews  
Mayfair  
London  
W1B 4QB

22 October 2004

**CCLV HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2003**

		Year to 31 Dec 03	Period from 1 Oct 01 to 31 Dec 02
	Note	£	£
<b>TURNOVER</b>		—	—
Administrative expenses		1,426	(18,559)
<b>OPERATING PROFIT/(LOSS)</b>	<b>2</b>	<b>1,426</b>	<b>(18,559)</b>
Income from shares in group undertakings	4	737,115	772,242
Interest receivable		24	11
Amounts written off investments	5	(18,600)	—
Interest payable	6	(173,380)	(276,180)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>546,585</b>	<b>477,514</b>
Tax on profit on ordinary activities	7	100,460	—
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>647,045</b>	<b>477,514</b>

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

The notes on page 6 form part of these financial statements.



**CCLV HOLDINGS LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 DECEMBER 2003**

	Year to 31 Dec 03 £	Period from 1 Oct 01 to 31 Dec 02 £
Profit for the financial year attributable to the shareholders	647,045	477,514
Unrealised profit on investment properties	—	109,117
Total gains and losses recognised since the last annual report	<u>647,045</u>	<u>586,631</u>

The notes on page 7 form part of these financial statements.

# CCLV HOLDINGS LIMITED

## BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>			
Investments	8	3,920,903	3,920,903
<b>CURRENT ASSETS</b>			
Debtors	9	2,283,716	2,192,532
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>715,806</u>	<u>591,667</u>
<b>NET CURRENT ASSETS</b>		<u>1,567,910</u>	<u>1,600,865</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,488,813</u>	<u>5,521,768</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	11	<u>1,978,333</u>	<u>2,658,333</u>
		<u>3,510,480</u>	<u>2,863,435</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	14	1,211,111	1,211,111
Share premium account		1,213,889	1,213,889
Revaluation reserve		109,117	109,117
Profit and loss account	20	<u>976,363</u>	<u>329,318</u>
<b>SHAREHOLDERS' FUNDS (including non-equity interests)</b>	16	<u>3,510,480</u>	<u>2,863,435</u>

These financial statements were approved by the directors on the 22 October 2004 and are signed on their behalf by:

N J C TURNBULL

The notes on page 8 form part of these financial statements.

**CCLV HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2003**

**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 year, a 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 1996) from including a cash flow statement in the financial statements on the grounds that the company is over 90% owned and its parent publishes a consolidated cash flow statement.

**Fixed assets**

All fixed assets are initially recorded at cost.

**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 PROFIT/(LOSS)**

Operating profit/(loss) is stated after charging:

	Year to 31 Dec 03 £	Period from 1 Oct 01 to 31 Dec 02 £
Directors' emoluments	—	—
Auditors' remuneration - as auditors	<u>1,500</u>	<u>1,500</u>

**3. PARTICULARS OF EMPLOYEES**

There were no persons employed by the company during the year, (2002: none).

**4. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	Year to 31 Dec 03 £	Period from 1 Oct 01 to 31 Dec 02 £
Income from unlisted investments	<u>737,115</u>	<u>772,242</u>

**CCLV HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2003**

**5. AMOUNTS WRITTEN OFF INVESTMENTS**

	Year to 31 Dec 03 £	Period from 1 Oct 01 to 31 Dec 02 £
Amount written off investments	<u>18,600</u>	<u>—</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year to 31 Dec 03 £	Period from 1 Oct 01 to 31 Dec 02 £
Interest payable on bank borrowing	<u>173,380</u>	<u>276,180</u>

**7. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	Year to 31 Dec 03 £	Period from 1 Oct 01 to 31 Dec 02 £
Current tax:		
Corporation tax	—	—
Amounts receivable from fellow subsidiary in respect of group relief	<u>(100,460)</u>	<u>—</u>
Total current tax	<u>(100,460)</u>	<u>—</u>

The company has surrendered the benefit of tax losses to another group and rewarded a consideration of £100,460 (2002: £nil) in the year.

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2002 - 19.25%).

	Year to 31 Dec 03 £	Period from 1 Oct 01 to 31 Dec 02 £
Profit on ordinary activities before taxation	<u>546,585</u>	<u>477,514</u>
Profit/(loss) on ord actvs by rate of tax	<u>(163,975)</u>	91,922
Income not taxable (dividends)	<u>226,684</u>	148,656
Expenses not deductible	<u>(5,580)</u>	—
Tax losses carried forward / Group relief	<u>(157,589)</u>	<u>(240,578)</u>
Total current tax (note 7(a))	<u>(100,460)</u>	<u>—</u>

**CCLV HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2003**

**8. INVESTMENTS**

	<b>Investment in subsidiary undertaking £</b>
<b>COST OR VALUATION</b>	
At 1 January 2003	3,920,903
Additions	18,600
At 31 December 2003	<u>3,939,503</u>
<b>AMOUNTS WRITTEN OFF</b>	
Written off in year	18,600
At 31 December 2003	<u>18,600</u>
<b>NET BOOK VALUE</b>	
At 31 December 2003	<u>3,920,903</u>
At 31 December 2002	<u>3,920,903</u>

The company holds 100% 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.

The company holds 100% of the ordinary share capital of W Hindle (Sales) Limited, a company registered in England and Wales and which is dormant.

**9. DEBTORS**

	<b>2003 £</b>	<b>2002 £</b>
Amounts owed by group undertakings	2,283,191	2,189,594
Other debtors	525	438
Prepayments and accrued income	—	2,500
	<u>2,283,716</u>	<u>2,192,532</u>

**10. CREDITORS: Amounts falling due within one year**

	<b>2003 £</b>	<b>2002 £</b>
Bank loans and overdrafts	690,000	560,000
Trade creditors	—	2,939
Accruals and deferred income	25,806	28,728
	<u>715,806</u>	<u>591,667</u>

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

**CCLV HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2003**

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

	2003	2002
	£	£
Bank loans and overdrafts	<u>1,978,333</u>	<u>2,658,333</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:

	2003	2002
	£	£
Amounts repayable:		
In one year or less or on demand	690,000	560,000
In more than one year but not more than two years	840,000	690,000
In more than two years but not more than five years	<u>1,138,333</u>	<u>1,968,333</u>
	<u>2,668,333</u>	<u>3,218,333</u>

**13. RELATED PARTY TRANSACTIONS**

Payment was made to an undertaking in which N J C Turnbull had a direct interest for consultancy, professional and office expenses amounting to £3,000 (2002: £4,500)

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 Investments Limited.

**14. SHARE CAPITAL**

**Authorised share capital:**

	2003	2002
	£	£
1,111,111 Ordinary shares of £1 each	1,111,111	1,111,111
100,000 Convertible deferred shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<u>1,211,111</u>	<u>1,211,111</u>

**Allotted, called up and fully paid:**

	2003		2002	
	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	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	<u>1,211,111</u>	<u>1,211,111</u>	<u>1,211,111</u>	<u>1,211,111</u>

**CCLV HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2003**

**15. EQUITY AND NON EQUITY SHARES ISSUED**

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.

**20. PROFIT AND LOSS ACCOUNT**

	Year to 31 Dec 03 £	Period from 1 Oct 01 to 31 Dec 02 £
Balance brought forward	329,318	(148,196)
Retained profit for the financial year	647,045	477,514
Balance carried forward	<u>976,363</u>	<u>329,318</u>

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**EQUITY SHAREHOLDERS' FUNDS**

	2003 £	2002 £
Profit for the financial year	647,045	477,514
Other net recognised gains and losses	—	200,588
Net addition to funds	647,045	678,102
Opening shareholders' equity funds	2,763,435	2,085,333
Closing shareholders' equity funds	<u>3,410,480</u>	<u>2,763,435</u>

**NON-EQUITY SHAREHOLDERS' FUNDS**

Opening shareholders' non-equity funds	100,000	—
New non-equity share capital subscribed	—	100,000
Closing shareholders' non-equity funds	<u>100,000</u>	<u>100,000</u>

<b>TOTAL SHAREHOLDERS' FUNDS</b>	<u>3,510,480</u>	<u>2,863,435</u>
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**CCLV HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2003**

**17. ULTIMATE PARENT COMPANY**

The ultimate parent company is Skye Investments Limited, which is registered in England and Wales.

The immediate controlling party during the period was Skye Holdings Limited and the ultimate controlling party was Saffery Champness Trustees Limited, trustees of a life interest trust of which R F M Adair is a beneficiary.

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

**18. GUARANTEE**

The company is a guarantor to a lease contract of the subsidiary, CCL Veloduct Limited (Note 8). The lease agreement provides for a lease of £52,000 per annum.