

Company Registration No. 2978673 (England and Wales)

NUMBER TEN GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2003



NUMBER TEN GROUP LIMITED

COMPANY INFORMATION

Directors	P. L. Williams J. D. Williams M. J. Cross
Secretary	J. D. Williams
Company number	2978673
Registered office	10 Barnard Road Bowthorpe Norwich Norfolk NR5 9JB
Auditors	Goodman Jones 29/30 Fitzroy Square London W1T 6LQ
Business address	10 Barnard Road Bowthorpe Norwich Norfolk NR5 9JB
Bankers	Lloyds Bank plc 39 Threadneedle Street Branch DC2R 8AU
Solicitors	Bircham Dyson Bell 50 Broadway Westminister London SW1H 0BL

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DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2003

The directors present their report and financial statements for the period ended 31 August 2003.

Principal activities and review of the business

The principal activity of the company continued to be that of a holding company and management of the group.

The directors are satisfied with the results for the year, and view the future with optimism.

Results and dividends

The results for the period are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 2 September 2002:

P. L. Williams

J. D. Williams

A. Teasdale

(Deceased 1 May 2003)

M. J. Cross

Directors' interests

The interests of P. Williams, who is also a director of the ultimate parent company, are disclosed in the accounts of the ultimate parent company, Sanford Investments Limited.

M. Cross held an interest of 346 class B ordinary shares in Number Ten Group Limited during the year.

None of the other directors had an interest in the shares of any group undertakings.

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Goodman Jones be reappointed as auditors of the company will be put to the Annual General Meeting.

NUMBER TEN GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

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 period. 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 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.

On behalf of the board



J. D. Williams

Director

Date: 23/5/2005

NUMBER TEN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NUMBER TEN GROUP LIMITED

We have audited the financial statements of Number Ten Group Limited on pages 4 to 15 for the period ended 31 August 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 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

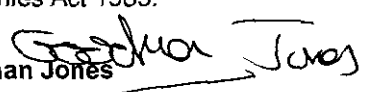
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Goodman Jones



23/5/2005

Chartered Accountants
Registered Auditor

29/30 Fitzroy Square
London

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PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2003

		52 Weeks ended 31 August 2003 £	52 Weeks ended 1 September 2002 £
	Notes		
Turnover	2	208,631	-
Administrative expenses		(829,281)	(809,809)
Other operating income		701,598	722,000
Operating profit/(loss)	3	80,948	(87,809)
Interest payable and similar charges	4	(82,381)	(45,377)
Loss on ordinary activities before taxation		(1,433)	(133,186)
Tax on loss on ordinary activities	5	-	28
Loss on ordinary activities after taxation	13	(1,433)	(133,158)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

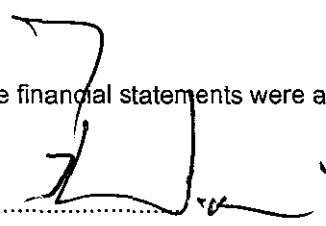
There are no recognised gains and losses other than those passing through the profit and loss account.

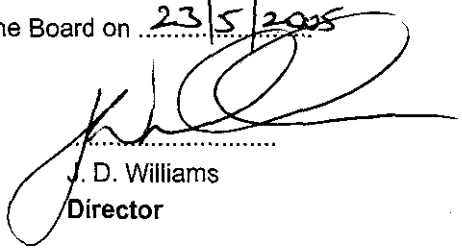
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BALANCE SHEET AS AT 31 AUGUST 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6	68,292		6,029	
Investments	7	666,980		666,980	
		<u>735,272</u>		<u>673,009</u>	
Current assets					
Debtors	8	8,461,630		5,332,981	
		<u>8,461,630</u>		<u>5,332,981</u>	
Creditors: amounts falling due within one year	9	<u>(235,087)</u>		<u>(117,609)</u>	
Net current assets		8,226,543		5,215,372	
Total assets less current liabilities		<u>8,961,815</u>		<u>5,888,381</u>	
Creditors: amounts falling due after more than one year	10	(8,152,196)		(5,077,329)	
Provisions for liabilities and charges	11	<u>(310)</u>		<u>(310)</u>	
		<u>809,309</u>		<u>810,742</u>	
Capital and reserves					
Called up share capital	12	53,462		53,462	
Share premium account	13	726,365		726,365	
Profit and loss account	13	29,482		30,915	
Shareholders' funds	14	<u>809,309</u>		<u>810,742</u>	
Equity interests		758,097		759,530	
Non-equity interests		51,212		51,212	
		<u>809,309</u>		<u>810,742</u>	

The financial statements were approved by the Board on 23/5/2005


P. L. Williams
Director


J. D. Williams
Director

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	15 % straight line
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.5 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 a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

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

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Sanford Investments Limited, a company incorporated in the United Kingdom, and is included in the consolidated accounts of that company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit/(loss)	2003 £	2002 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	13,296	1,569
Loss on disposal of tangible assets	-	11,917
Operating lease rentals	7,815	-
Auditors' remuneration	3,250	3,500

4 Interest payable	2003 £	2002 £
On bank loans and overdrafts	1,556	1,601
Hire purchase interest	-	298
Other interest	80,825	43,478
	<u>82,381</u>	<u>45,377</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

5	Taxation	2003 £	2002 £
	Domestic current year tax		
	Adjustment for prior years	-	706
		<hr/>	<hr/>
	Current tax charge	-	706
	Deferred tax		
	Deferred tax charge/credit current year	-	(734)
		<hr/>	<hr/>
		-	(28)
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	(1,433)	(133,186)
		<hr/>	<hr/>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 20.00%)	(272)	(26,637)
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	1,594	1,496
	Depreciation add back	2,526	314
	Capital allowances	(3,865)	(1,710)
	Tax losses utilised	17	24,154
	Adjustments to previous periods	-	706
	Chargeable disposals	-	2,383
		<hr/>	<hr/>
		272	27,343
		<hr/>	<hr/>
	Current tax charge	-	706
		<hr/>	<hr/>

The company has estimated losses of £ 98,012 (2002: £ 100,809) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

6 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 2 September 2002	-	1,682	6,075	7,757
Additions	73,169	1,939	-	75,108
At 31 August 2003	73,169	3,621	6,075	82,865
Depreciation				
At 2 September 2002	-	119	1,609	1,728
Charge for the period	10,636	690	1,519	12,845
At 31 August 2003	10,636	809	3,128	14,573
Net book value				
At 31 August 2003	62,533	2,812	2,947	68,292
At 1 September 2002	-	1,563	4,466	6,029

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

	Motor vehicles £
Net book values	
At 31 August 2003	2,947
At 1 September 2002	4,466
Depreciation charge for the period	
At 31 August 2003	1,519
At 1 September 2002	1,487

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 2 September 2002 & at 31 August 2003	666,980

Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Number 10 Norwich Limited	England	£1 ordinary	100
Solar Bowl (Ipswich) Limited	England	10p ordinary	100
Superskate Rollerinks	England	£1 ordinary	100
Number Ten Romford Limited	England	£1 ordinary	100
Number Ten Rugby Limited	England	£1 ordinary	100
Number Ten Braintree Limited	England	£1 ordinary	100

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 2003 £	Profit for the year 2003 £
Number 10 Norwich Limited	2,120,450	79,188
Solar Bowl (Ipswich) Limited	2,303,836	161,492
Superskate Rollerinks	3,027	(20,099)
Number Ten Romford Limited	1,333,735	2,387
Number Ten Rugby Limited	(294,832)	(294,833)
Number Ten Braintree Limited	(156,960)	(156,961)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

8 Debtors	2003 £	2002 £
Trade debtors	-	17,807
Amounts owed by subsidiary undertakings	8,387,232	5,293,752
Other debtors	38,667	16,117
Prepayments and accrued income	35,731	5,305
	<u>8,461,630</u>	<u>5,332,981</u>

Amounts falling due after more than one year and included in the debtors above are:

	2003 £	2002 £
Amounts owed by subsidiary undertakings	<u>8,387,232</u>	<u>5,293,752</u>

9 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loans and overdrafts	55,658	27,201
Net obligations under hire purchase contracts	1,413	1,867
Trade creditors	17,190	40,524
Taxes and social security costs	80,476	6,152
Directors' current accounts	-	25,000
Other creditors	76,450	5,639
Accruals and deferred income	3,900	11,226
	<u>235,087</u>	<u>117,609</u>

The bank overdraft is secured by a fixed and floating charge over the company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

10 Creditors: amounts falling due after more than one year	2003 £	2002 £
Net obligations under hire purchase contracts	-	1,711
Amounts owed by parent and subsidiary undertakings	8,152,196	5,075,618
	<u>8,152,196</u>	<u>5,077,329</u>
Net obligations under hire purchase contracts		
Repayable within one year	1,413	1,867
Repayable between one and five years	-	1,711
	<u>1,413</u>	<u>3,578</u>
Included in liabilities falling due within one year	(1,413)	(1,867)
	<u>-</u>	<u>1,711</u>

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

11 Provisions for liabilities and charges

	Deferred tax liability £	
Balance at 2 September 2002 & at 31 August 2003	<u>310</u>	
The deferred tax liability is made up as follows:		
	2003 £	2002 £
Accelerated capital allowances	310	310

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

12 Share capital	2003 £	2002 £
Authorised		
20,770 Equity Ordinary 'A' shares of 10p each	2,077	2,077
1,730 Equity Ordinary 'B' shares of 10p each	173	173
12,116 Non-equity Cumulative convertible participating preferred Ordinary shares of 10p each	1,212	1,212
500,000 Non-equity Cumulative redeemable preference shares of 10p each	50,000	50,000
	<u>53,462</u>	<u>53,462</u>
Allotted, called up and fully paid		
20,770 Equity Ordinary 'A' shares of 10p each	2,077	2,077
1,730 Equity Ordinary 'B' shares of 10p each	173	173
12,116 Non-equity Cumulative convertible participating preferred Ordinary shares of 10p each	1,212	1,212
500,000 Non-equity Cumulative redeemable preference shares of 10p each	50,000	50,000
	<u>53,462</u>	<u>53,462</u>

Cumulative redeemable preference shares

These shares were redeemable at six 6 monthly installments as follows:

1st June 1996	83,334
1st December 1996	83,334
1st June 1997	83,333
1st December 1997	83,333
1st June 1998	83,333
1st December 1998	83,333
	<u>500,000</u>

- (a) The cumulative convertible participating preferred ordinary (CCPPO) shares' percentage of total equity share capital shall increase by 1% for each redemption of cumulative redeemable preference shares not undertaken by the company.
- (b) The shares due for redemption were not redeemed by the company and the holders of the CCPPO shares have indicated that they intend to exercise their option in (a) above at a later date.
- (c) Full details of the rights and obligations of these shares are detailed in the company's Articles of Association.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 2 September 2002	726,365	30,915
Retained loss for the period	-	(1,433)
Balance at 31 August 2003	<u>726,365</u>	<u>29,482</u>

14 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Loss for the financial period	(1,433)	(133,158)
Opening shareholders' funds	<u>810,742</u>	<u>943,900</u>
Closing shareholders' funds	<u>809,309</u>	<u>810,742</u>

15 Contingent liabilities

The company has entered into a bankers omnibus guarantee and set off agreement dated 17 October 2001 between Lloyds Bank and all group companies. The maximum potential liability at the year end was £9,886,943.

14 Financial commitments

At 31 August 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Within one year	3,256	-
Between two and five years	-	7,815
	<u>3,256</u>	<u>7,815</u>

17 Directors' emoluments

	2003 £	2002 £
Emoluments for qualifying services	183,692	59,833
Compensation for loss of office	6,900	13,500
	<u>190,592</u>	<u>73,333</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

18 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2003 Number	2002 Number
Administration	6	6
Employment costs		
	£	£
Wages and salaries	372,458	153,989
Social security costs	22,852	12,979
	395,310	166,968

19 Control

The company's parent company is Sanford Investments Limited, also incorporated in the United Kingdom. Sanford Investments Limited is controlled by P.L. Williams, a director, by virtue of the fact that he is the majority shareholder.

20 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.