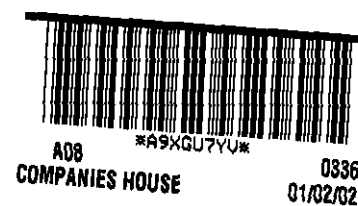


THE LEISURE WORKSHOP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001



COMPANY NUMBER: 3177388

THE LEISURE WORKSHOP LIMITED

REPORT AND FINANCIAL STATEMENTS

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THE LEISURE WORKSHOP LIMITED

DIRECTORS AND SECRETARY

Directors

M A Cole
L R Hurst

Secretary

M A Cole

Registered Office

17 North Avenue
Ealing
London
W13 8AP

Company Number

3177388

Auditors

Solomon Hare
Oakfield House
Oakfield Grove
Clifton
Bristol
BS8 2BN

Bankers

Midland Bank plc
Marble Arch branch
76 Edgware Road
London
W2 2EQ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be the management company of a subsidiary.

RESULTS AND DIVIDENDS

The profit for the year after taxation, amounted to £31,058 (2000: £83,342) and is dealt with as shown on page 5.

The directors recommend a dividend payment of £500 per ordinary share (2000: £nil).

DIRECTORS

The directors and their interests in the shares of the company were as follows:

	Ordinary shares of £1 each	
	2001	2000
M A Cole	50	50
L R Hurst	150	150

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 for the 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

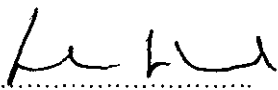
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (Continued)

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Solomon Hare as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board by



.....
L R Hurst
Director

Dated: 18 January 2002

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE LEISURE WORKSHOP LIMITED

We have audited the financial statements of The Leisure Workshop Limited for the year ended 30 June 2001 set out on pages 5 to 10. These financial statements have been prepared under the historical cost convention 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 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.

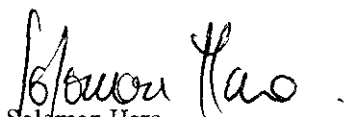
Basis of audit opinion

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 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Solomon Hare
Chartered Accountants
Registered Auditors
Oakfield House
Oakfield Grove
Clifton
Bristol
BS8 2BN

Dated: 18 January 2002

THE LEISURE WORKSHOP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2001**

	Note	Year ended 30 June 2001	22 June 1999 to 30 June 2000
		£	£
Turnover		-	69,861
Administrative costs	2	(9,487)	(28,323)
(Loss)/profit before interest and other income		(9,487)	41,538
Income from other investments	3	1,347	1,347
Interest receivable		39,198	40,457
Profit on ordinary activities before taxation		31,058	83,342
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation		31,058	83,342
Dividend	6	(100,000)	-
Transfer (from)/to reserves		(68,942)	83,342
Reserves brought forward		1,229,054	1,145,712
Reserves carried forward		1,160,112	1,229,054

All gains and losses are included in the profit and loss account.
All amounts relate to continuing activities.

The notes on pages 7 to 10 form part of these financial statements.

THE LEISURE WORKSHOP LIMITED

BALANCE SHEET AT 30 JUNE 2001

	Note	30 June 2001 £	30 June 2000 £
Fixed assets			
Investments	7	672,545	624,120
Current assets			
Debtors	8	1,270	8,463
Cash at bank and in hand		783,634	784,398
		784,904	792,861
Creditors (amounts falling due within one year)	9	(297,137)	(187,727)
Net current assets		487,767	605,134
Total assets less current liabilities		1,160,312	1,229,254
Net assets		1,160,312	1,229,254
Capital and reserves			
Called up share capital	11	200	200
Profit and loss account	13	1,160,112	1,229,054
Equity shareholders' funds	12	1,160,312	1,229,254

Approved by the Board



L R Hurst
Director

Dated: 18 January 2002

The notes on pages 7 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

a. Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

b. Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the accounts on the grounds that the company is small.

c. Turnover

Turnover represents amounts receivable by the company in respect of the services of its directors and its position as a management company, net of value added tax. All turnover is derived from operations within the United Kingdom. Dividend income is recognised in the financial statements on a receivable basis.

d. Investments

Listed investments are stated at cost less provision for any impairment in value.

As stated in note 7, the investment in Jasmine Limited qualifies for merger relief and accordingly the investment is stated at the nominal value of the shares issued to acquire the investment.

e. Consolidation

The company has claimed exemption under section 248 of the Companies Act 1985 from the preparation of group financial statements on the grounds that the group is medium sized. The financial statements give information about the company as an individual undertaking and not about its group.

f. Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the foreseeable future, calculated at the rate at which it is anticipated the timing differences will reverse.

2 ADMINISTRATIVE COSTS

	Year ended 30 June 2001	22 June 1999 to 30 June 2000
Administrative costs include:	£	£
Management charge	8,145	25,994
Auditors' emoluments in respect of audit services	500	500

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 INCOME FROM OTHER INVESTMENTS

	Year ended 30 June 2001 £	22 June 1999 to 30 June 2000 £
Income from fixed asset investments	1,347	1,347

4 EMPLOYEES AND DIRECTORS

No staff costs were incurred in the year. The average number of employees (including directors) employed by the company during the year was 2 (2000: 2).

5 TAXATION

There is no charge to taxation arising on the profit for the year due to the availability of group relief.

6 DIVIDEND

	2001 £	2000 £
Final dividend: £500 per ordinary share (2000: £nil)	100,000	-

7 FIXED ASSET INVESTMENTS

	Shares in listed companies £	Shares in subsidiary companies (unlisted) £	Total £
Cost at 1 July 2000	30,299	593,821	624,120
Additions	48,425	-	48,425
At 30 June 2001	78,724	593,821	672,545

The market value of the listed investments at 30 June 2001 is £73,630 (2000: £17,174).

The company's only subsidiary at 30 June 2000 is Jasmine Limited in which it holds 100 fully paid ordinary shares of £1 each, 49,900 fully paid ordinary shares of 25p each and 1 'A' ordinary share of £1 each. The subsidiary is 100% owned, registered in England and Wales and trades in the United Kingdom. Jasmine Limited had capital and reserves at 30 June 2001 of £1,462,217 (2000: £2,033,127) and a loss after tax for the period ended 30 June 2001 of £570,910 (2000: profit £948,173).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 DEBTORS

	2001	2000
	£	£
Other debtors	1,170	8,363
Unpaid share capital	100	100
	<u>1,270</u>	<u>8,463</u>

9 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Accruals and deferred income	2,212	2,063
Amounts due to subsidiary undertaking	194,925	185,664
Proposed dividend	100,000	-
	<u>297,137</u>	<u>187,727</u>

10 DEFERRED TAX

	2001	2000
	£	£
At 1 July 2000	-	-
Release to profit and loss	-	-
At 30 June 2001	<u>-</u>	<u>-</u>

11 SHARE CAPITAL

	2001	2000
	£	£
Authorised, allotted and issued		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>
Fully paid:		
100 ordinary shares of £1 each	100	100
Unpaid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>200</u>	<u>200</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	31,058	83,342
Dividend	(100,000)	-
Net (decrease)/increase in shareholders' funds	(68,942)	83,342
Opening shareholders' funds	1,229,254	1,145,912
Closing shareholders' funds	1,160,312	1,229,254

13 RESERVES: Profit and loss account

	2001	2000
	£	£
At 1 July 2000	1,229,054	1,145,712
Profit for the year	31,058	83,342
Dividend	(100,000)	-
At 30 June 2001	1,160,112	1,229,054

14 RELATED PARTY TRANSACTIONS

The company has been controlled throughout the period by L R Hurst and M A Cole who are directors and shareholders. At 30 June 2001, £100,000 dividend was owed to the directors (2000: £nil).

During the year Mr L R Hurst was a director of Easy i Limited, the biz.com plc (formerly LotteryKing Holdings Plc) and The National Bingo Game Association. Total fees and expenses amounting to £nil (2000: £69,861) were charged to these companies during the year. There are no amounts in respect of fees included in debtors at 30 June 2001 (2000: £3,525).