

ROXYLIGHT GROUP SERVICES LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003



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ROXYLIGHT GROUP SERVICES LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2003

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ROXYLIGHT GROUP SERVICES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2003

DIRECTORS: D C L Miller
N H Brunskill

SECRETARY: N H Brunskill

REGISTERED OFFICE: The Clock House
Frogmoor
High Wycombe
Buckinghamshire
HP13 5DL

REGISTERED NUMBER: 3450026

AUDITORS: Wilkins Kennedy
Chartered Accountants
Registered Auditors
Risborough House
38-40 Sycamore Road
Amersham
Buckinghamshire
HP6 5DZ

BANKERS: National Westminster Bank Plc
P O Box 17
33 High Street
High Wycombe
Buckinghamshire
HP11 2AJ

ROXYLIGHT GROUP SERVICES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property management, administration and development.

DIRECTORS

The directors during the year under review were:

D C L Miller
N H Brunskill

The directors holding office at 31 December 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 31 December 2003.

1 share in the company is held by James Lawson Holdings Limited, a company of which D C L Miller is a director and a shareholder.

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 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.

AUDITORS

The auditors, Wilkins Kennedy, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



D C L Miller - Director

18 July 2005

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ROXYLIGHT GROUP SERVICES LIMITED**

We have audited the financial statements of Roxylight Group Services Limited for the year ended 31 December 2003 on pages four to twelve. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 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 members 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 on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

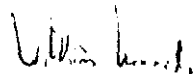
Basis of audit opinion

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



Wilkins Kennedy
Chartered Accountants
Registered Auditors
Risborough House
38-40 Sycamore Road
Amersham
Buckinghamshire
HP6 5DZ

18 July 2005

ROXYLIGHT GROUP SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
TURNOVER		708,421	2,684,766
Cost of sales		<u>(42,425)</u>	<u>(1,032,754)</u>
GROSS PROFIT		665,996	1,652,012
Administrative expenses		<u>(827,773)</u>	<u>(1,332,566)</u>
		(161,777)	319,446
Other operating income		<u>-</u>	<u>8,198</u>
OPERATING (LOSS)/PROFIT	2	(161,777)	327,644
Income from shares in group undertakings		-	75,386
Interest receivable and similar income		<u>6,859</u>	<u>8,081</u>
		(154,918)	411,111
Amounts written off investments	3	<u>-</u>	<u>(505,419)</u>
		(154,918)	(94,308)
Interest payable and similar charges		<u>(4,036)</u>	<u>(55,037)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(158,954)	(149,345)
Tax on loss on ordinary activities	4	<u>27,464</u>	<u>(149,042)</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(131,490)	(298,387)
Dividends	5	<u>-</u>	<u>(400,000)</u>
DEFICIT FOR THE YEAR		<u>(131,490)</u>	<u>(698,387)</u>

The notes form part of these financial statements

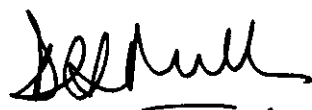
ROXYLIGHT GROUP SERVICES LIMITED

**BALANCE SHEET
31 DECEMBER 2003**

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	6	21,303	45,775
Investments	7	<u>695</u>	<u>7</u>
		<u>21,998</u>	<u>45,782</u>
CURRENT ASSETS			
Stocks		520,810	310,560
Debtors	8	1,802,534	1,150,748
Cash at bank		<u>13,110</u>	<u>4,835</u>
		2,336,454	1,466,143
CREDITORS			
Amounts falling due within one year	9	<u>(3,212,295)</u>	<u>(2,216,835)</u>
NET CURRENT LIABILITIES		<u>(875,841)</u>	<u>(750,692)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(853,843)	(704,910)
CREDITORS			
Amounts falling due after more than one year	10	<u>(6,632)</u>	<u>(24,075)</u>
		<u>(860,475)</u>	<u>(728,985)</u>
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Profit and loss account	14	<u>(860,477)</u>	<u>(728,987)</u>
SHAREHOLDERS' FUNDS		<u>(860,475)</u>	<u>(728,985)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



D C L Miller - Director

Approved by the Board on 18 July 2005

The notes form part of these financial statements

ROXYLIGHT GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- straight line over the life of the lease
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Costs include all direct expenditure.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made to them are charged to the Profit and Loss Account on a straight-line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Going Concern

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The directors have projected information for the current financial year and consider that the continued support of creditors will be a necessity.

The creditors have indicated to the directors that they will continue to support the company as they have done in the past. The financial statements do not include any adjustments that would result from a withdrawal of support by the company's creditors.

Group Accounts

The company is exempt from preparing consolidated financial statements on the grounds that taken together with its subsidiaries, it qualifies as a small group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

ROXYLIGHT GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003**

2. OPERATING (LOSS)/PROFIT

The operating loss (2002 - operating profit) is stated after charging:

	2003	2002
	£	£
Depreciation - owned assets	9,408	7,288
Depreciation - assets on hire purchase contracts	3,978	15,912
Loss on disposal of fixed assets	6,520	-
Pension costs	3,573	3,573
Amounts payable to the auditors in respect of audit services	<u>9,025</u>	<u>7,875</u>
 Directors' emoluments and other benefits etc	 <u>96,906</u>	 <u>158,573</u>

3. AMOUNTS WRITTEN OFF INVESTMENTS

	2003	2002
	£	£
Loss on disposal of investment	<u>-</u>	<u>505,419</u>

4. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK corporation tax	<u>(27,464)</u>	<u>149,042</u>
Tax on loss on ordinary activities	<u>(27,464)</u>	<u>149,042</u>

5. DIVIDENDS

	2003	2002
	£	£
Final	<u>-</u>	<u>400,000</u>

The dividend paid in 2002 is in breach of section 265 of the Companies Act 1985 and therefore is technically repayable.

ROXYLIGHT GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2003	17,000	91,569	108,569
Additions	-	15,433	15,433
Disposals	-	(63,647)	(63,647)
At 31 December 2003	<u>17,000</u>	<u>43,355</u>	<u>60,355</u>
DEPRECIATION			
At 1 January 2003	8,500	54,293	62,793
Charge for year	4,250	9,136	13,386
Eliminated on disposal	-	(37,127)	(37,127)
At 31 December 2003	<u>12,750</u>	<u>26,302</u>	<u>39,052</u>
NET BOOK VALUE			
At 31 December 2003	<u>4,250</u>	<u>17,053</u>	<u>21,303</u>
At 31 December 2002	<u>8,500</u>	<u>37,276</u>	<u>45,776</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery etc £
COST	
At 1 January 2003	63,647
Disposals	(63,647)
At 31 December 2003	-
DEPRECIATION	
At 1 January 2003	33,149
Charge for year	3,978
Eliminated on disposal	(37,127)
At 31 December 2003	-
NET BOOK VALUE	
At 31 December 2003	-
At 31 December 2002	<u>30,498</u>

ROXYLIGHT GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003**

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2003	7
Additions	691
Adjustment	<u>(3)</u>
At 31 December 2003	<u>695</u>
NET BOOK VALUE	
At 31 December 2003	<u>695</u>
At 31 December 2002	<u>7</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Sneinton Market Development Limited

Nature of business: Property investment and rental

Class of shares:	%		
Ordinary £1 'A' shares	holding		
	50.00		
		30.6.04	30.6.03
		£	£
Aggregate capital and reserves		(251,359)	(82,328)
Loss for the year		<u>(169,031)</u>	<u>(81,389)</u>

The Shell Bay Holding Company Limited

Nature of business: Group holding company

Class of shares:	%		
Ordinary £1 'A' shares	holding		
	44.20		
		31.3.04	31.3.03
		£	£
Aggregate capital and reserves		159,236	155,649
Profit/(Loss) for the year		<u>2,679</u>	<u>(12,576)</u>

Eastside and City Developments Limited

Nature of business: General construction and civil engineering

Class of shares:	%	
Ordinary £1 'B' shares	holding	
	25.00	
		30.6.04
		£
Aggregate capital and reserves		(2,816)
Loss for the year		<u>(3,816)</u>

ROXYLIGHT GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003**

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade debtors	97,018	109,737
Amounts owed by group undertakings	942,910	908,196
Other debtors	<u>762,606</u>	<u>132,815</u>
	<u>1,802,534</u>	<u>1,150,748</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Hire purchase contracts	6,178	12,117
Trade creditors	94,514	61,145
Amounts owed to group undertakings	2,948,464	1,917,884
Taxation and social security	149,042	142,698
Other creditors	<u>14,097</u>	<u>82,991</u>
	<u>3,212,295</u>	<u>2,216,835</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
	£	£
Hire purchase contracts	<u>6,632</u>	<u>24,075</u>

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2003	2002
	£	£
Expiring: Between one and five years	<u>20,049</u>	<u>20,049</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	2003	2002
	£	£
Hire purchase contracts	<u>12,810</u>	<u>36,192</u>

ROXYLIGHT GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003**

13. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2003	2002
Number:	Class:		£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

Allotted, issued and fully paid:		Nominal value:	2003	2002
Number:	Class:		£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

14. RESERVES

	Profit and loss account £
At 1 January 2003	(728,987)
Deficit for the year	<u>(131,490)</u>
At 31 December 2003	<u>(860,477)</u>

15. PENSION COMMITMENTS

Pension costs included in the accounts were made to a money purchase defined contribution scheme, administered and managed by a recognised pension provider, for the benefit of one of the directors.
Cost 2003 : £3,573 (2002 : £3,573).

ROXYLIGHT GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003**

16. RELATED PARTY DISCLOSURES

Name of related party	Nature of relationship	Transaction details	2003 £	2002 £	Change £
Related companies (aggregated)	Common Directors / Shareholders	Management fees received	648,779	558,000	
Related companies (aggregated)	Common Directors / Shareholders	Management fees paid	172,500	299,000	
Related companies (aggregated)	Common Directors / Shareholders	Loans to the company	(2,948,464)	(1,917,884)	(1,035,580)
Related companies (aggregated)	Common Directors / Shareholders	Loans by the company	942,910	908,196	34,714
Related companies (aggregated)	Common Directors / Shareholders	Amounts owed on the sales ledger	74,043	102,492	(28,449)
P M Farrar	Shareholder in a related company	Loan by the company	93,395	93,395	-
P M Farrar	Shareholder in a related company	Amounts owed on the sales ledger	10,000	-	10,000
D C L Miller	Director	Loan to the company	(9,097)	(14,891)	5,794
D C L Miller	Director	Amounts owed on the sales ledger	10,000	10,000	-

Related companies include the following:-

Roxylight Limited
 Roxylight Agricultural Land (Cumbria) Limited
 Law Mining Limited
 Leongreen Limited
 Roxylight Properties Limited
 James Lawson Holdings Limited
 James Lawson Property Limited
 Farrar Property Services Limited
 Stone Market Finance Limited
 Swan Court Properties Limited
 Cumberland Coal Limited
 Cumberland Coal and Fireclay Limited
 Saxon Developments Limited
 The Shell Bay Cafe Limited
 Roxylight Holdings Limited
 Zaburn Properties Limited
 Sneinton Space Management Limited
 Sneinton Market Developments Limited
 Bond Homes (Northern) Limited
 Roxylight Mining Limited
 Evermale Limited
 Edmond Homes Limited
 Artillery Mansions Limited
 The Shell Bay Holding Company Limited
 Eastside & City Developments Limited

17. ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party.