

Company Number: 3450026

Roxylight Group Services Limited

Financial Statements

for the year ended 31st December 2001



Registered Office

The Clock House
Frogmoor
High Wycombe
Buckinghamshire
HP13 5DL

Director

D C L Miller
N Brunskill

Secretary

N Brunskill

Auditors

Wilkins Kennedy
Risborough House
38-40 Sycamore Road
Amersham
Bucks
HP6 5DZ

Bankers

National Westminster Bank Plc
33 High Street
High Wycombe
Buckinghamshire
HP11 2AJ

The directors submit their report together with the audited financial statements for the year ended 31st December 2001.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and of the loss for that 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 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 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.

Principal Activity

The principal activities of the company are that of property management, administration and development.

Directors

The directors, none of whom is beneficially interested in the shares of the company, who served during the year were as follows:

D C L Miller

A Lakhani - resigned 27th February 2002

N Brunskill - appointed 27th February 2002

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

Auditors

The Auditors, Wilkins Kennedy Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

Exemption Statement

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

By Order of the Board:



D C L Miller, Director
24th March 2003

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Independent Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st December 2001

We have audited the financial statements on pages 3 to 11, which have been prepared under the historical cost convention and the accounting policies set out on pages 5 and 7.

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's members as a body, for our audit work, for this report, or the opinions we have formed.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable laws and United Kingdom Accounting Standards. It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and the 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 so 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 misstatement within it.

Basis of 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 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 31st December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wilkins Kennedy

**Wilkins Kennedy
Chartered Accountants
Registered Auditor**

**Risborough House
38-40 Sycamore Road
Amersham
Bucks
HP6 5DZ**

24th March 2003

Roxylight Group Services Limited

Profit and Loss Account

for the year ended 31st December 2001

| | Notes | 2001 £ | 2000 £ |
|--|-------|-----------|-----------|
| Turnover | 2 | 945,669 | 733,035 |
| Cost of sales | | (4,305) | (6,010) |
| Gross profit | | 941,364 | 727,025 |
| Administrative expenses | | (970,148) | (610,259) |
| Other operating income | 3 | 50 | 4,592 |
| Operating (loss)/profit | 4 | (28,734) | 121,358 |
| Amounts written-off investments | 5 | (79) | (1) |
| Interest receivable | 6 | 67 | - |
| Interest payable | 7 | (106,198) | (40,873) |
| (Loss)/Profit on ordinary activities before Taxation | | (134,944) | 80,484 |
| Tax on (loss)/profit on ordinary activities | 9 | 11,664 | (12,237) |
| (Loss)/Profit on ordinary activities after Taxation | | (123,280) | 68,247 |
| Retained profit brought forward | | 92,680 | 24,433 |
| Retained (loss)/profit carried forward | | (30,600) | 92,680 |

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Balance Sheet

as at 31st December 2001

| | Notes | 2001 £ | 2001 £ | 2000 £ | 2000 £ |
|--|-------|--------------------|--------------------|--------------------|------------------|
| Fixed Assets | | | | | |
| Tangible Fixed Assets | 10 | | 66,799 | | 71,480 |
| Investments | 11 | | 518,720 | | 510,646 |
| | | | <u>585,519</u> | | <u>582,126</u> |
| Current Assets | | | | | |
| Stock | | 184,560 | | - | |
| Debtors | 13 | 1,331,116 | | 1,357,503 | |
| Cash at bank and in hand | | 24,185 | | - | |
| | | <u>1,539,861</u> | | <u>1,357,503</u> | |
| Creditors: | | | | | |
| Amounts falling due within one year | 14 | <u>(1,015,156)</u> | | <u>(1,043,422)</u> | |
| Net Current Assets | | | <u>524,705</u> | | <u>314,081</u> |
| Total Assets less Current Liabilities | | | <u>1,110,224</u> | | <u>896,207</u> |
| Creditors: | | | | | |
| Amounts falling due after one year | 15 | | <u>(1,140,822)</u> | | <u>(803,525)</u> |
| | | | <u>(30,598)</u> | | <u>92,682</u> |
| Capital and Reserves | | | | | |
| Called up share capital | 18 | | 2 | | 2 |
| Profit and loss account | | | <u>(30,600)</u> | | <u>92,680</u> |
| Equity Shareholders' Funds | 17 | | <u>(30,598)</u> | | <u>92,682</u> |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

These accounts were approved by the board on 24th March 2003.



D C L Miller

Director

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

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.

Cash Flow Statement

In the opinion of the directors the company qualifies as a small company and accordingly a cash flow statement is not required.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Income from Investments

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

| | |
|------------------------------|--|
| Leasehold land and buildings | Straight Line Over the Period of the Lease |
| Motor vehicles | 25% Straight Line |
| Office equipment | 25% Straight Line |

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.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Leased Assets

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 under them are charged to the Profit and Loss Account on a straight-line basis over the lease term.

2 Turnover

The turnover and operating (loss)/profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Other Operating Income

| | 2001 | 2000 |
|------------------------|------|-------|
| | £ | £ |
| Other operating income | 50 | 4,592 |

4 Operating (Loss)/Profit

The operating (loss)/profit is stated after charging or crediting:

| | 2001 | 2000 |
|---|--------|-------|
| | £ | £ |
| Other operating lease rentals | 72,115 | 5,368 |
| Amounts payable to the auditors in respect of audit services | 6,640 | 4,025 |
| Depreciation - owned assets | 10,566 | 5,238 |
| Depreciation - assets held under hire purchase or finance lease contracts | 15,912 | 1,326 |

5 Other Fixed Asset Investment Income

| | 2001 | 2000 |
|---|------|------|
| | £ | £ |
| Amounts written-off fixed asset investments | (79) | (1) |

6 Interest Receivable

| | 2001 | 2000 |
|------------------------|------|------|
| | £ | £ |
| Bank interest received | 67 | - |

Roxylight Group Services Limited

Notes to the Financial Statements

for the year ended 31st December 2001

| | | | |
|----------|--|-----------------|----------------|
| 7 | Interest Payable | 2001 | 2000 |
| | | £ | £ |
| | Bank loans and overdrafts | 101,907 | 39,957 |
| | Other interest | - | 170 |
| | Hire purchase & finance lease interest | 3,835 | - |
| | Interest on late payment of corporation tax | 456 | 746 |
| | | <u>106,198</u> | <u>40,873</u> |
| | | | |
| 8 | Directors | 2001 | 2000 |
| | | £ | £ |
| | Total remuneration | <u>120,000</u> | <u>132,907</u> |
| | | | |
| 9 | Tax on (Loss)/Profit on Ordinary Activities | 2001 | 2000 |
| | | £ | £ |
| | <i>Based on the (loss)/profit for the year:</i> | | |
| | U.K. Corporation tax at 20% (2000: 30%) | (11,664) | 22,510 |
| | Prior year adjustments - corporation tax | - | (10,273) |
| | | <u>(11,664)</u> | <u>12,237</u> |

10 Tangible Fixed Assets

| | Land and Buildings | Plant, Machinery and Other Assets | Total |
|-----------------------|-------------------------------|--|--------------|
| | £ | £ | £ |
| Cost | | | |
| At 1st January 2001 | - | 84,597 | 84,597 |
| Additions | 17,000 | 4,797 | 21,797 |
| At 31st December 2001 | 17,000 | 89,394 | 106,394 |
| Depreciation | | | |
| At 1st January 2001 | - | 13,117 | 13,117 |
| Charge for the year | 4,250 | 22,228 | 26,478 |
| At 31st December 2001 | 4,250 | 35,345 | 39,595 |
| Net Book Value | | | |
| Owned assets | 12,750 | 7,640 | 20,390 |
| Leased assets | - | 46,409 | 46,409 |
| At 31st December 2001 | 12,750 | 54,049 | 66,799 |
| Owned assets | - | 9,159 | 9,159 |
| Leased assets | - | 62,321 | 62,321 |
| At 31st December 2000 | - | 71,480 | 71,480 |

11 Fixed Asset Investments

| | Shares in Group Undertakings £ |
|------------------------|---|
| Cost | |
| At 1st January 2001 | 510,646 |
| Additions | 8,153 |
| Investment written off | (79) |
| At 31st December 2001 | 518,720 |
| Net Book Value | |
| At 31st December 2001 | 518,720 |
| At 1st January 2001 | 510,646 |

12 Principal Fixed Asset Investments

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

| Name | Country of registration (or incorporation) and operation | Class of share | Proportion held | Nature of business | Total reserves £ | Net profit for the year £ |
|---|---|-------------------|--------------------|--------------------------------------|---------------------|---------------------------------|
| <i>Principal subsidiary undertakings:</i> | | | | | | |
| Sneinton Space Management Limited | England | Ordinary Shares | 50% | Property development | 322,481 | 318,337 |
| Vincent Square Limited | England | Ordinary Shares | 100% | Property acquisition and development | 75,899 | (1,149) |
| The Shell Bay Holding Company Limited | England | Ordinary Shares | 50% | Group holding company | (2,558) | (890) |

The figures for Sneinton Space Management Limited and The Shell Bay Holding Company Limited are from the accounts for the year ended 31st March 2002.

13 Debtors

| | 2001 £ | 2000 £ |
|--------------------------------------|------------------|------------------|
| Trade debtors | 97,537 | 116,148 |
| Amounts owed by related undertakings | 1,001,913 | 1,128,035 |
| Other debtors | 231,666 | 113,320 |
| | <u>1,331,116</u> | <u>1,357,503</u> |

14 Creditors: Amounts falling due within one year

| | 2001 £ | 2000 £ |
|---|------------------|------------------|
| Bank loans and overdrafts - secured | 116,853 | 108,841 |
| Net obligations under hire purchase and finance lease contracts | 12,117 | 15,952 |
| Trade creditors | 462,216 | 558,293 |
| Amounts owed to related undertakings | 366,851 | 317,145 |
| Other creditors | 57,020 | 14,926 |
| Corporation tax | 99 | 28,265 |
| | <u>1,015,156</u> | <u>1,043,422</u> |

| | | | |
|-----------|---|------------------|----------------|
| 15 | Creditors: Amounts falling due after one year | 2001 | 2000 |
| | | £ | £ |
| | Bank loans - secured | 1,104,630 | 759,051 |
| | Net obligations under hire purchase and finance lease obligations | 36,192 | 44,474 |
| | | <u>1,140,822</u> | <u>803,525</u> |

Bank and other loans repayable after more than five years are repayable as follows:-

| | | |
|----------------------------|------------------|----------------|
| Within one year | 116,853 | 87,144 |
| Between one and two years | 116,853 | 87,144 |
| Between two and five years | 350,559 | 261,432 |
| After five years | 637,218 | 410,475 |
| | <u>1,221,483</u> | <u>846,195</u> |

| | | | |
|-----------|---|---------------|---------------|
| 16 | Obligations Under Hire Purchase & Finance Leases | 2001 | 2000 |
| | | £ | £ |
| | Obligations under finance leases and hire purchase contracts are analysed as follows: | | |
| | Within one year | 12,117 | 15,952 |
| | Between one and two years | 36,192 | 44,474 |
| | | <u>48,309</u> | <u>60,426</u> |

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

| | | | |
|-----------|--|-----------------|---------------|
| 17 | Reconciliation of the Movement in Shareholders' Funds | 2001 | 2000 |
| | | £ | £ |
| | (Loss)/Profit for the financial year | (123,280) | 68,247 |
| | Opening shareholders' funds | 92,682 | 24,435 |
| | Closing shareholders' funds | <u>(30,598)</u> | <u>92,682</u> |

| | | | |
|-----------|---|-------------|-------------|
| 18 | Share Capital | | |
| | Authorised | 2001 | 2000 |
| | | £ | £ |
| | 100 Ordinary Shares of £1 Each (2000 : 100) | 100 | 100 |
| | Allotted and fully paid | 2001 | 2000 |
| | | £ | £ |
| | 2 Ordinary Shares of £1 Each (2000 : 2) | 2 | 2 |

19 Defined Contribution Scheme

Pension costs included in the accounts were made to a money purchase defined contribution scheme administered and managed by a recognised pension provider. Cost 2001: £3,573 (2000: £5,897).

20 Related Party Transactions

Details of related party transactions occurring during the year are as follows:

| Name of related party | Nature of Relationship | Transaction Details | Balance 2001 £ | Balance 2000 £ | Amount £ |
|--------------------------------|----------------------------------|-------------------------------------|-------------------|-------------------|-------------|
| Related companies (aggregated) | Common Directors/ Shareholders | Management fees received | - | - | (887,346) |
| Related companies (aggregated) | Common Directors/ Shareholders | Management fees paid | - | - | 140,000 |
| Related companies (aggregated) | Common Directors/ Shareholders | Movement on loans to/by the company | 705,064 | 810,090 | 105,026 |
| D C L Miller | Director | Loan by the Company | 22,567 | (7,026) | 29,593 |
| P M Farrar | Shareholder in a Related Company | Loan by the Company | 130,945 | 99,299 | 31,646 |

Related companies include the following:

Artillery Mansions Limited
 Roxylight Agricultural Land Cumbria Limited
 James Lawson Property Limited
 Farrar Property Services Limited
 Roxylight Holdings Limited
 Leongreen Limited
 Roxylight Limited
 Roxylight Developments Limited
 Vincent Square Limited
 James Lawson Holdings Limited
 Stonemarket Finance Limited
 The Shell Bay Cafe Limited
 Zaburn Properties Limited
 Saxon Developments Limited
 Galleondeal Limited
 Roxylight Homes Limited
 Roxylight Mining Limited
 Sneinton Space Management Limited
 Farringdale Limited
 Roxylight Properties Limited
 Saxon Urban Limited
 Swan Court Properties Limited