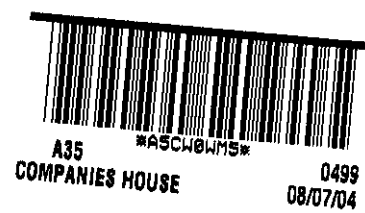


**ROXYLIGHT GROUP SERVICES LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002**



**ROXYLIGHT GROUP SERVICES LIMITED**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

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	<b>Page</b>
<b>Company Information</b>	1
<b>Report of the Directors</b>	2
<b>Report of the Independent Auditors</b>	3
<b>Profit and Loss Account</b>	4
<b>Balance Sheet</b>	5
<b>Notes to the Financial Statements</b>	6
<b>Trading and Profit and Loss Account</b>	13

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**ROXYLIGHT GROUP SERVICES LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

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<b>DIRECTORS:</b>	D C L Miller N H Brunskill
<b>SECRETARY:</b>	N H Brunskill
<b>REGISTERED OFFICE:</b>	The Clock House Frogmoor High Wycombe Buckinghamshire HP13 5DL
<b>REGISTERED NUMBER:</b>	3450026
<b>AUDITORS:</b>	Wilkins Kennedy Chartered Accountants Registered Auditors Risborough House 38-40 Sycamore Road Amersham Buckinghamshire HP6 5DZ
<b>BANKERS:</b>	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 2002**

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The directors present their report with the financial statements of the company for the year ended 31 December 2002.

**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	- appointed 27.2.2002
A. Lakhani	- resigned 27.2.2002

The directors holding office at 31 December 2002 did not hold any beneficial interest in the issued share capital of the company at 1 January 2002 (or date of appointment if later) or 31 December 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 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.

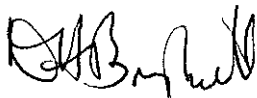
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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:**



N H Brunskill - Director

29 June 2004

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

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We have audited the financial statements of RoxyLight Group Services Limited for the year ended 31 December 2002 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 2002 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

29 June 2004

**ROXYLIGHT GROUP SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	2002 £	2001 £
<b>TURNOVER</b>		<b>2,684,766</b>	945,669
Cost of sales		<u>(1,032,754)</u>	<u>(4,305)</u>
<b>GROSS PROFIT</b>		<b>1,652,012</b>	941,364
Administrative expenses		<u>(1,332,566)</u>	<u>(970,148)</u>
		<b>319,446</b>	(28,784)
Other operating income		<u>8,198</u>	<u>50</u>
<b>OPERATING PROFIT/(LOSS)</b>	2	<b>327,644</b>	(28,734)
Income from shares in group undertakings		<b>75,386</b>	-
Interest receivable and similar income		<u>8,081</u>	<u>67</u>
		<b>411,111</b>	(28,667)
Amounts written off investments	3	<u>(505,419)</u>	<u>(79)</u>
		<b>(94,308)</b>	(28,746)
Interest payable and similar charges		<u>(55,037)</u>	<u>(106,198)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(149,345)</b>	(134,944)
Tax on loss on ordinary activities	4	<u>(149,042)</u>	<u>11,664</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>(298,387)</b>	(123,280)
Dividends	5	<u>(400,000)</u>	-
<b>DEFICIT FOR THE YEAR</b>		<u><b>(698,387)</b></u>	<u><b>(123,280)</b></u>

The notes form part of these financial statements

**ROXYLIGHT GROUP SERVICES LIMITED**

**BALANCE SHEET  
31 DECEMBER 2002**

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible assets	6	45,775	66,799
Investments	7	7	518,720
		<u>45,782</u>	<u>585,519</u>
<b>CURRENT ASSETS</b>			
Stocks		310,560	184,560
Debtors	8	1,150,748	1,331,116
Cash at bank		4,835	24,185
		<u>1,466,143</u>	<u>1,539,861</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(2,216,835)	(1,015,156)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(750,692)</u>	<u>524,705</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(704,910)</u>	<u>1,110,224</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(24,075)	(1,140,822)
		<u>(728,985)</u>	<u>(30,598)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	2	2
Profit and loss account	14	(728,987)	(30,600)
<b>SHAREHOLDERS' FUNDS</b>		<u>(728,985)</u>	<u>(30,598)</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:**



N H Brunskill - Director

Approved by the Board on 29 June 2004

The notes form part of these financial statements

**ROXYLIGHT GROUP SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

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**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.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

*Work in progress is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and net realisable value is based on estimated selling price less the estimated cost of disposal.*

**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.



**ROXYLIGHT GROUP SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**2. OPERATING PROFIT/(LOSS)**

The operating profit (2001 - operating loss) is stated after charging:

	<b>2002</b>	2001
	<b>£</b>	£
Depreciation - owned assets	<b>7,288</b>	10,566
Depreciation - assets on hire purchase contracts	<b>15,912</b>	15,912
Pension costs	<b>3,573</b>	3,573
Amounts payable to the auditors in respect of audit services	<b>7,875</b>	6,640
	<u><b>158,573</b></u>	<u>123,573</u>
Directors' emoluments and other benefits etc	<b>158,573</b>	123,573

**3. AMOUNTS WRITTEN OFF INVESTMENTS**

	<b>2002</b>	2001
	<b>£</b>	£
Amounts written off investments	-	79
Loss on disposal of investment	<b>505,419</b>	-
	<u><b>505,419</b></u>	<u>79</u>

**4. TAXATION**

**Analysis of the tax charge/(credit)**

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

	<b>2002</b>	2001
	<b>£</b>	£
Current tax:		
UK corporation tax	<b>149,042</b>	(11,664)
Tax on loss on ordinary activities	<b>149,042</b>	(11,664)

**5. DIVIDENDS**

	<b>2002</b>	2001
	<b>£</b>	£
Final	<b>400,000</b>	-

This dividend 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 2002**

**6. TANGIBLE FIXED ASSETS**

	<b>Land and buildings £</b>	<b>Plant and machinery etc £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2002	17,000	89,394	106,394
Additions	-	2,176	2,176
	<hr/>	<hr/>	<hr/>
At 31 December 2002	17,000	91,570	108,570
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 January 2002	4,250	35,345	39,595
Charge for year	4,250	18,950	23,200
	<hr/>	<hr/>	<hr/>
At 31 December 2002	8,500	54,295	62,795
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 December 2002	8,500	37,275	45,775
	<hr/>	<hr/>	<hr/>
At 31 December 2001	12,750	54,049	66,799
	<hr/>	<hr/>	<hr/>

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

	<b>Plant and machinery etc £</b>
<b>COST</b>	
At 1 January 2002 and 31 December 2002	63,647
	<hr/>
<b>DEPRECIATION</b>	
At 1 January 2002	17,238
Charge for year	15,912
	<hr/>
At 31 December 2002	33,150
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2002	30,497
	<hr/>
At 31 December 2001	46,409
	<hr/>

**ROXYLIGHT GROUP SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**7. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST OR VALUATION</b>	
At 1 January 2002	518,720
Additions	15,006
Disposals	(505,422)
Revaluations	(28,297)
	<u>7</u>
At 31 December 2002	<u>7</u>
<b>NET BOOK VALUE</b>	
At 31 December 2002	<u>7</u>
At 31 December 2001	<u>518,720</u>

Cost or valuation at 31 December 2002 is represented by:

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:	holding	
Ordinary	100.00	
		31.3.03
		£
Aggregate capital and reserves		(82,328)
Loss for the year		(81,389)

**The Shell Bay Holding Company Limited**

Nature of business: Group holding company

	%	
Class of shares:	holding	
Ordinary	50.00	
		31.3.03
		£
Aggregate capital and reserves		155,649
Loss for the year		(12,576)

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Trade debtors	109,737	97,537
Amounts owed by related undertakings	908,196	1,001,913
Other debtors	132,815	231,666
	<u>1,150,748</u>	<u>1,331,116</u>

**ROXYLIGHT GROUP SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	116,853
Hire purchase contracts	<b>12,117</b>	12,117
Trade creditors	<b>61,145</b>	462,216
Amounts owed to related undertakings	<b>1,917,884</b>	366,851
Taxation and social security	<b>142,698</b>	48,744
Other creditors	<b>82,991</b>	8,375
	<u><b>2,216,835</b></u>	<u><b>1,015,156</b></u>

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

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank loans	-	1,104,630
Hire purchase contracts	<b>24,075</b>	36,192
	<u><b>24,075</b></u>	<u><b>1,140,822</b></u>

**11. OPERATING LEASE COMMITMENTS**

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

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Expiring:		
Within one year	-	13,791
Between one and five years	<b>20,049</b>	-
	<u><b>20,049</b></u>	<u><b>13,791</b></u>

**12. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank loans	-	1,221,483
Hire purchase contracts	<b>36,192</b>	48,309
	<u><b>36,192</b></u>	<u><b>1,269,792</b></u>

**ROXYLIGHT GROUP SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**13. CALLED UP SHARE CAPITAL**

Authorised:		Nominal value:	2002		2001	
Number:	Class:		£		£	
100	Ordinary	£1	<u>100</u>		<u>100</u>	

Allotted, issued and fully paid:		Nominal value:	2002		2001	
Number:	Class:		£		£	
2	Ordinary	£1	<u>2</u>		<u>2</u>	

**14. RESERVES**

	Profit and loss account £
At 1 January 2002	(30,600)
Deficit for the year	<u>(698,387)</u>
At 31 December 2002	<u>(728,987)</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 2002 : £3,573 (2001 : £3,573).

**ROXYLIGHT GROUP SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**16. RELATED PARTY DISCLOSURES**

<b>Name of related party</b>	<b>Nature of relationship</b>	<b>Transaction details</b>	<b>2002 £</b>	<b>2001 £</b>	<b>Amount £</b>
Related companies (aggregated)	Common Directors / Shareholders	Management fees received			558,000
Related companies (aggregated)	Common Directors / Shareholders	Management fees paid			399,000
Related companies (aggregated)	Common Directors / Shareholders	Loans to the company	(1,917,884)	(366,851)	(1,551,033)
Related companies (aggregated)	Common Directors / Shareholders	Loans by the company	908,196	1,001,913	(93,717)
		Amounts owed on the sales ledger	102,492	86,210	16,282
D C L Miller	Director	Loan to the company	(14,891)	22,567	(37,458)
P M Farrar	Shareholder in a related company	Loan by the company	93,395	130,945	(37,550)

Related companies include the following:-

Roxylight Limited  
Roxylight Agricultural Land (Cumbria) Limited  
Law Mining Limited  
Leongreen Limited  
Roxylight Properties Limited  
Vincent Square 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

**17. ULTIMATE CONTROLLING PARTY**

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