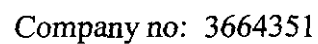


31 DECEMBER 2001



DOVERLINE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

Company registration number: 3664351

Registered office: The Clockhouse
Frogmoor
HIGH WYCOMBE
Buckinghamshire
HP13 5DL

Directors: D C L Miller
R L Chalcraft
A Lakhani

Secretary: A Lakhani

Bankers: National Westminster Bank Plc
Chilterns Customer Service Centre
PO Box 315
HIGH WYCOMBE
Buckinghamshire
HP11 2EU

Solicitors: Jeffrey Green Russell
Apollo House
56 New Bond Street
LONDON
W1Y 0SZ

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
1 Westminster Way
OXFORD
Oxfordshire
OX2 0PZ

DOVERLINE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

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DOVERLINE LIMITED

REPORT OF THE DIRECTORS

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

Principal activity

The group is principally engaged in one activity, namely building and estate management.

Business review

The group's loss for the year after taxation was £261,000 (2000: profit £811,000) . Preference dividends amounted to £86,000 (2000: £10,000) and the loss has been transferred from reserves.

Directors

The present membership of the Board is set out below:

The interests of the directors and their families in the shares of the company as at 31 December 2001 and 1 January 2001 are set out below:

	Ordinary shares at 31 December 2001	Ordinary shares at 31 December 2000	Preference shares 31 December 2001	Preference shares 31 December 2000
R L Chalcraft	250	250	1,000,000	1,000,000
A Lakhani	-	-	-	-
D C Miller	-	-	-	-

Directors' responsibilities for the financial statements

Company law in the United Kingdom 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 the group and of the profit or loss of the group 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, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

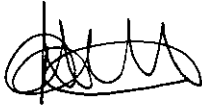
DOVERLINE LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, consisting of a series of loops and a vertical line at the end, enclosed within a horizontal oval shape.

A Lakhani
Secretary
30 June 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

DOVERLINE LIMITED

We have audited the financial statements of Doverline Limited for the year ended 31 December 2001 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and notes 1 to 23. These financial statements have been prepared under 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

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 group'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 affairs of the company and the group at 31 December 2001 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
OXFORD
4 July 2003

DOVERLINE LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards up to and incorporating FRS 18.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

BASIS OF CONSOLIDATION

These group financial statements consolidate those of the company and of its subsidiary undertakings (see note 8) drawn up to 31 December 2001. The results of subsidiaries acquired or disposed of during the year have been included from the date of acquisition or to the date of disposal. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities, which exist at the date of acquisition, are recorded at their fair values reflecting their condition at that time.

JOINT VENTURES

The group financial statements incorporate joint ventures under the equity method of accounting. The company balance sheet shows the investment in the joint venture at cost.

TURNOVER

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for the sale of houses and land.

Sales of houses are recognised when a legally binding unconditional contract has been exchanged and construction is substantially complete.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, except land, by equal annual instalments over their expected useful lives as follows:

The rates generally applicable are:

Freehold buildings	50 years
Short leasehold improvements	period of the lease
Plant and equipment	3 to 5 years

STOCKS AND WORK IN PROGRESS

Land and developments held as trading stock are valued on the basis of direct costs plus attributable overheads. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of stocks.

DEFINED CONTRIBUTION PENSION SCHEMES

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

DOVERLINE LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 represents a constant proportion of the capital balance outstanding and 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.

GOODWILL

Goodwill arising from the acquisition of subsidiary undertakings, representing the difference between the purchase consideration and fair value of net assets acquired, has, for acquisitions made after 31 December 1997, been capitalized in accordance with the requirements of Financial Reporting Standard number 10 (FRS 10).

Goodwill is amortised on a straight-line basis over its estimated useful economic life. Purchased goodwill accounted for in accounting periods ending before 23 December 1998, the implementation date of FRS 10, was eliminated from the financial statements by immediate write-off on acquisition against reserves. Such goodwill will be charged or credited to the profit and loss account on the subsequent disposal of the business to which it relates.

DEFERRED TAXATION

Deferred taxation is provided 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 tax is disclosed as a contingent liability.

DOVERLINE LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	2001 £'000	2000 £'000
Turnover	1	18,621	20,040
Cost of sales		<u>(16,225)</u>	<u>(15,999)</u>
Gross profit		2,396	4,041
Operating expenses		<u>(2,262)</u>	<u>(1,770)</u>
Operating Profit		134	2,271
Net interest payable	2	<u>(862)</u>	<u>(835)</u>
(Loss)/profit on ordinary activities before taxation	1	(728)	1,436
Tax on ordinary activities	4	<u>467</u>	<u>(625)</u>
(Loss)/profit on ordinary activities after taxation		(261)	811
Dividend	5	<u>(86)</u>	<u>(10)</u>
(Loss)/profit on ordinary activities		(347)	801
Equity minority interests		<u>130</u>	<u>(300)</u>
Retained (loss)/profit for the year transferred (from)/to reserves	14	<u>(217)</u>	<u>501</u>

There were no recognised gains or losses other than the loss for the financial year.

All turnover and profit are from continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

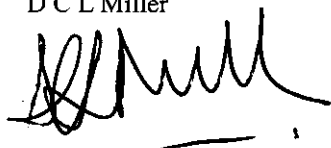
DOVERLINE LIMITED**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2001**

	Note	2001 £'000	2000 £'000
Fixed assets			
Tangible assets	7	1,598	1,668
Investments	8	10	12
		1,608	1,680
Current assets			
Stocks	9	10,340	12,747
Debtors	10	4,309	5,828
Cash at bank and in hand		28	471
		14,677	19,046
Creditors: amounts falling due within one year	11	(10,911)	(15,832)
Net current assets		3,766	3,214
Total assets less current liabilities		5,374	4,894
Creditors: amounts falling due after more than one year	12	(1,902)	(1,161)
Net assets		3,472	3,733
Capital and reserves			
Called up share capital	13	1,001	1,001
Profit and loss account	14	1,205	1,336
Total Shareholders' funds		2,206	2,337
Minority interests		1,266	1,396
		3,472	3,733
Equity shareholders' funds		1,206	1,337
Non-equity shareholders' funds		1,000	1,000
		2,206	2,337

The financial statements were approved by the Board of Directors on 30 June 2003.

D C L Miller

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

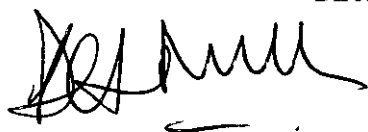
DOVERLINE LIMITED**BALANCE SHEET AT 31 DECEMBER 2001**

	Note	2001 £'000	2000 £'000
Fixed assets			
Investments	8	1,005	1,005
Current assets			
Debtors	10	452	-
Creditors: amounts falling due within one year	11	<u>(463)</u>	<u>(7)</u>
Net current liabilities		<u>(11)</u>	<u>(7)</u>
		<u>994</u>	<u>998</u>
Capital and reserves			
Called up share capital	13	1,001	1,001
Profit and loss account	14	<u>(7)</u>	<u>(3)</u>
		<u>994</u>	<u>998</u>

The financial statements were approved by the Board of Directors on 30 June 2003.

D C L Miller

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

DOVERLINE LIMITED**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	2001 £'000	2000 £'000
Net cash inflow/(outflow) from operating activities	16	3,204	(2,380)
Returns on investments and servicing of finance			
Interest received		2	15
Interest paid		(864)	(847)
Finance lease interest paid		-	(3)
Investment income		7	111
Net cash outflow from returns on investments and servicing of finance		(855)	(724)
Taxation			
Corporation tax paid		(42)	(332)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	7	(19)	(94)
Sale of tangible fixed assets		5	14
		(14)	(80)
Acquisitions and disposals			
Purchase of investments	8	(5)	-
Net cash outflow from acquisitions and disposals		(5)	-
Financing			
Receipts from borrowings		671	7,322
Repayments of borrowings		(3,578)	(4,971)
Capital element of finance leases		(21)	(17)
Net cash (outflow)/inflow from financing		(2,928)	2,334
Decrease in cash in the period		(640)	(1,182)

The accompanying accounting policies and notes form an integral part of these financial statements.

DOVERLINE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

1 TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and (loss)/profit before taxation are attributable to one activity namely building and estate management. This is carried on in a single geographical market.

The (loss)/profit on ordinary activities before taxation is stated after:

	2001 £'000	2000 £'000
Auditors' remuneration	33	30
Non audit remuneration	29	21
Depreciation – assets held under finance leases	-	11
Depreciation – owned assets	84	83
Loss on sale of fixed assets	-	9
Hire of plant and machinery	103	107
Other operating lease rentals	110	96

2 NET INTEREST

	2001 £'000	2000 £'000
On bank loans, overdrafts and other loans repayable within five years, otherwise than by instalments	864	847
Finance charges in respect of finance leases	-	3
Interest receivable	(2)	(15)
	(862)	835

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2001 £'000	2000 £'000
Wages and salaries	1,484	1,427
Social security costs	135	151
Other pension costs	55	49
	1,674	1,627

The average number of employees of the company during the year was 41 (2000: 37).

Remuneration in respect of directors was as follows:

DOVERLINE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 £'000	2000 £'000
Emoluments	164	145
Other pension costs	26	10
	<u>190</u>	<u>155</u>

During the year 2 directors (2000: 2) participated in the defined contribution pension scheme.

4 TAXATION

The tax (credit)/charge is based on the (loss)/profit for the year and represents:

	2001 £'000	2000 £'000
UK corporation tax at 30% (2000: 30%)	(250)	437
Adjustments in respect of prior years	(217)	145
Deferred taxation	-	43
	<u>(467)</u>	<u>625</u>

The group has tax losses available, which can be offset against future taxable profits. A deferred tax asset has not been recognised due to the uncertainties surrounding the timing of reversals.

5 DIVIDEND

	2001 £'000	2000 £'000
Preference dividend	<u>86</u>	<u>10</u>

Preference dividends at a rate of 8% from 1 January 2001 to 13 November 2001 and from 13 November 2001 at a rate of 10% payable in arrears. The 2000 preference dividends were due from 13 November 2000 at a rate of 8% payable in arrears, but remained unpaid at 31 December 2001 and 2000 and were added back to reserves. (Total arrears due £96,000).

6 LOSS FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The company's loss for the year amounted to £4,000 (2000: £3,000), which is dealt with in the financial statements of the company.

DOVERLINE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2001

7

TANGIBLE FIXED ASSETS

The Group	Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2001	1,553	370	1,923
Additions	-	19	19
Disposals	-	(8)	(8)
At 31 December 2001	<u>1,553</u>	<u>381</u>	<u>1,934</u>
Depreciation			
At 1 January 2001	38	217	255
Provided in the year	20	64	84
Disposals	-	(3)	(3)
At 31 December 2001	<u>58</u>	<u>278</u>	<u>336</u>
Net book amount at 31 December 2001	<u>1,495</u>	<u>103</u>	<u>1,598</u>
Net book amount at 31 December 2000	<u>1,515</u>	<u>153</u>	<u>1,668</u>

The figures stated above include assets held under finance leases and similar hire purchase contracts as follows:

	Plant and equipment £'000
Net book amount at 31 December 2001	<u>-</u>
Net book amount at 31 December 2000	<u>23</u>
Depreciation provided during the year	<u>-</u>

DOVERLINE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2001

8**FIXED ASSETS INVESTMENTS**

The Group	Investment in joint venture £'000
Cost	5
Dividend receivable 2000	7
Net book value 31 December 2000	12
Dividend received	(7)
Additions	5
Net book value at 31 December 2001	10

The joint venture in which the group had an interest is Saxon VCT Limited, of which the group holds 50%.

Company	Shares in group undertakings £'000
Cost	
At 1 January 2001 and at 31 December 2001	1,005

At 31 December 2001 the group or the company held 20% or more of the nominal value of any class of share capital, all of which were incorporated in England and Wales, details as follows:

	Class of share capital held	Proportion held	Nature of business held
Roxylight Homes Limited	Ordinary	62.5%	Parent company
Saxon Developments Limited	Ordinary	100%	Housebuilding and estate management
Roxylight Midland Limited (held by Saxon Developments Limited)	Ordinary	100%	Investment company
Roxylight Properties Limited (held by Roxylight Midland Limited and Saxon Developments Limited)	Ordinary 'A' and 'B'	100%	Property development
Edmond Holdings Limited (held by Roxylight Properties Limited)	Ordinary	100%	Parent Company
Zaburn Properties Limited	Ordinary	100%	Leasing of commercial properties
Saxon Bond Urban Limited (held by Saxon Developments Limited)	Ordinary	100%	Investment company
Tower Gate Homes Limited (held by Saxon Developments Limited)	Ordinary	100%	Property development
Saxon VCT Limited (held by Saxon Developments Limited and Tower Gate Homes Limited)	Ordinary	50%	Property development

DOVERLINE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2001

9 STOCKS

The Group	2001	2000
	£'000	£'000
Land and developments held as trading stock	<u>10,340</u>	<u>12,747</u>

10 DEBTORS

	The Group		The Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Trade debtors	2,442	5,009	-	-
Other debtors	717	376	452	-
Amounts due from related parties	1,132	414	-	-
Prepayments and accrued income	18	29	-	-
	<u>4,309</u>	<u>5,828</u>	<u>452</u>	<u>-</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	7,866	11,078	-	-
Trade creditors	1,393	1,733	-	-
Retentions	617	538	-	-
Amounts owed to related parties	15	252	-	-
Amounts owed to group companies	-	-	460	4
Corporation tax	322	831	-	-
Social security and other taxes	145	88	-	-
Accruals and deferred income	553	1,302	3	3
Amounts due under finance leases	-	10	-	-
	<u>10,911</u>	<u>15,832</u>	<u>463</u>	<u>7</u>

DOVERLINE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2001****12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2001	2000
	£'000	£'000
Bank loans	1,652	1,150
Amounts due under finance leases	-	11
Amounts owed to related companies	250	-
	1,902	1,161

Borrowings are repayable as follows:

	2001	2000
	£'000	£'000
Within one year		
Bank and other borrowings	7,866	11,078
Finance leases	-	10
After one and within two years		
Finance leases	-	11
After two and within five years		
Amounts owed to related companies	250	-
After five years		
Bank and other borrowings	1,652	1,150
	9,768	12,249

The bank loans are secured by fixed and floating charges over all the group's assets and by first legal mortgages over certain land held in stock by the group.

DOVERLINE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2001****13 SHARE CAPITAL**

	2001	2000
	£'000	£'000
Authorised		
1,000 ordinary shares of £1 each	1	1
1,000,000 8% Cumulative Redeemable Preference shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>1,001</u>	<u>1,001</u>
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1	1
1,000,000 8% Cumulative Redeemable Preference shares of £1 each	<u>1,000</u>	<u>1,000</u>
At 31 December 2001	<u>1,001</u>	<u>1,001</u>

Preference shares

No dividend is payable in respect of the preference shares in relation to the two years to 13 November 2000. An 8% dividend paid quarterly in arrears is due for the year to 13 November 2001. From that date the cumulative dividend is 10% per annum. The cumulative preference dividend is to be paid in priority to any payment of dividends to ordinary shareholders.

The preference shares may be redeemed any time after 31 December 1998 if any person acquires directly or indirectly legal or beneficial ownership of any shares with an aggregate voting right of 50% of the ordinary share capital.

If not previously redeemed, redemption date is 13 November 2001. If the company is unable to redeem due to the law or other restrictions they should be redeemed as soon thereafter as the law or other such restrictions allow.

14 PROFIT AND LOSS ACCOUNT

The Group	£'000
At 1 January 2001	1,336
Retained loss for the year	<u>(217)</u>
At 31 December 2001	<u>1,119</u>
The Company	£'000
At 1 January 2001	(3)
Loss transferred for the year	<u>(90)</u>
At 31 December 2001	<u>(93)</u>

DOVERLINE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2001****15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001	2000
	£'000	£'000
(Loss)/profit for the financial year	(261)	811
Preference dividends	(86)	(10)
Minority interest	130	(300)
Unpaid dividend	86	10
	<hr/>	<hr/>
Net (decrease)/increase in shareholders' funds	(131)	511
Shareholders funds at 1 January 2001	2,337	1,826
	<hr/>	<hr/>
Shareholders' funds at 31 December 2001	2,206	2,337
	<hr/>	<hr/>

16 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	The Group	
	2001	2000
	£'000	£'000
Operating profit	134	2,271
Goodwill written off on acquisition	-	10
Depreciation	84	94
Decrease in stock	2,407	949
Decrease/(increase) in debtors	1,971	(2,901)
Decrease in creditors	(940)	(2,812)
Loss on sale of fixed assets	-	9
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	3,656	(2,380)
	<hr/>	<hr/>

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	The Group	
	2001	2000
	£'000	£'000
Decrease in cash	(640)	(1,182)
Cash inflow/(outflow) from financing in the year	2,907	(2,351)
Cash outflow from finance leases	21	17
	<hr/>	<hr/>
	2,288	(3,516)
Changes in net debt from cash flows, leases, loans, finance leases acquired with subsidiary	-	(34)
	<hr/>	<hr/>
Movement in net debt in the year	2,288	(3,550)
Net debt at 1 January 2001	(11,778)	(8,228)
	<hr/>	<hr/>
Net debt at 31 December 2001	(9,490)	(11,778)
	<hr/>	<hr/>

DOVERLINE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

18 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2001 £'000	Cash flow £'000	At 31 December 2001 £'000
Cash in hand and at bank	471	(640)	(169)
Debt due within one year	(12,228)	2,907	(9,321)
Finance leases	(21)	21	-
	<u>(11,778)</u>	<u>2,288</u>	<u>(9,490)</u>

19 CAPITAL COMMITMENTS

Neither the group nor the company had any capital commitments at 31 December 2001 or 31 December 2000.

20 CONTINGENT LIABILITIES

The company is party to a multilateral guarantee in respect of its bank borrowings and those of its group undertakings.

The group had no other contingent liabilities at 31 December 2001 and 31 December 2000.

21 LEASING COMMITMENTS

The group has operating lease payments amounting to £98,000 (2000: £79,000).

The leases to which these payments relate expire as follows:

	Land and buildings £'000	2001 Other £'000	Land and buildings £'000	2000 Other £'000
In one year or less	-	7	-	13
Between one and five years	-	91	-	66
In five years or more	-	-	-	-
	<u>-</u>	<u>98</u>	<u>-</u>	<u>79</u>

22 PENSIONS

Defined Contribution Schemes

Saxon Developments Limited operates a defined contribution pension scheme for the benefit of its employees. Edmond Holdings Limited operates two defined contribution pension schemes for the benefit of its employees. The assets of the schemes are administered by trustees in funds independent from those companies.

DOVERLINE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2001**

23 RELATED PARTY TRANSACTIONS

During the year the company and the group entered into the following transactions with related parties:

Related party	Nature of transaction	Income/ (expenditure) £'000	2001 debtor/(creditor) £'000	2000 debtor/(creditor) £'000
Roxylight Group Services Limited	Management fee	(240)	454	228
	Loans	171	-	-
	Salaries recharged	103	-	-
Leongreen Limited	Loan	-	100	100
Galleondeal Limited	Management fee	60	70	140
Roxylight Limited	Rent charges	13	228	35
	Loan	180	-	-
Law Mining Limited	Loan	100	100	-
Swan Court Property Limited	Loan	-	(250)	(250)
	Loan	178	178	-
Saxon VCT Limited	Developers fee	30	13	50
	Dividend	24	-	-