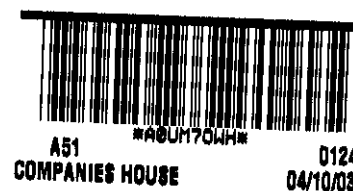


Company Registration No. 3914051 (England and Wales)

**SPEARMINT RHINO VENTURES (UK) LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**



# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **COMPANY INFORMATION**

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<b>Director</b>	J Gray
<b>Secretary</b>	Spearmint Rhino Secretarial Services Limited
<b>Company number</b>	3914051
<b>Registered office</b>	Rhino House, 2 Cressex Road High Wycombe Buckinghamshire HP12 4TY
<b>Auditors</b>	Hillier Hopkins St Martins House 31-35 Clarendon Road Watford Herts. WD17 1JF

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# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **CONTENTS**

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	<b>Page</b>
Director's report	1
Independent auditors' report	2 - 3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 18

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# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2002**

The director presents his report and financial statements for the year ended 31 December 2002.

### **Principal activities and review of the business**

The principal activity of the company during the period was that of an investment holding company.

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future.

### **Results and dividends**

The results for the year are set out on page 4.

The director does not recommend payment of an ordinary dividend.

### **Directors**

The following directors have held office since 1 January 2002:

J Gray

S Warr

(Appointed 14 February 2003 and resigned 21 July 2003)

### **Director's interests**

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 December 2002	1 January 2002
J Gray	100	100

### **Auditors**

Hillier Hopkins were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

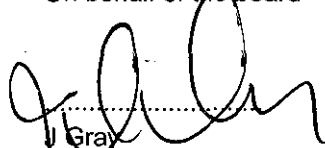
### **Director's responsibilities**

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

On behalf of the board



Director

15th September 2003

# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF SPEARMINT RHINO VENTURES (UK) LIMITED**

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We have audited the financial statements of Spearmint Rhino Ventures (UK) Limited on pages 4 to 18 for the year ended 31 December 2002. These financial statements have been prepared 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 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 director and auditors**

As described in the statement of director's responsibilities on page 1 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 director 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.

#### **Going Concern**

In forming our opinion we have considered the adequacy of the disclosures made in note 1.1 to the financial statements concerning the collection of the amounts due from subsidiary undertakings totalling £2,443,249, and the payment of £1,763,725 owed to Spearmint Rhino Companies (Europe) Limited and £1,184,947 owed to Spearmint Rhino Companies (Birmingham) Limited.

In view of the significance of these factors on the validity of the going concern basis for the preparation of the financial statements we consider that they should be drawn to your attention but not qualified in this respect.

# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF SPEARMINT RHINO VENTURES (UK) LIMITED**

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### **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.



**Hillier Hopkins**  
Chartered Accountants  
**Registered Auditor**

30 September 2003  
St Martins House  
31-35 Clarendon Road  
Watford  
Herts.  
WD17 1JF

# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	2002 £	2001 £
Turnover	2	1,085,300	1,057,558
Administrative expenses		(1,977,587)	(1,025,924)
Other operating income		89,110	-
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(803,177)</b>	<b>31,634</b>
Interest payable and similar charges	4	(28,270)	(7,903)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(831,447)</b>	<b>23,731</b>
Tax on (loss)/profit on ordinary activities	5	8,789	(21,510)
<b>(Loss)/profit on ordinary activities after taxation</b>	<b>12</b>	<b>(822,658)</b>	<b>2,221</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2002**

---

	2002 £	2001 £
(Loss)/profit for the financial year	(822,658)	2,221
Prior year adjustment	-	60,125
<b>Total gains and losses recognised since last financial statements</b>	<u>(822,658)</u>	<u>62,346</u>

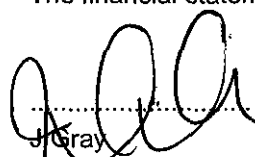


# SPEARMINT RHINO VENTURES (UK) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 £	£	2001 £	£
<b>Fixed assets</b>					
Tangible assets	6	737,977		405,034	
Investments	7	231		92	
		<u>738,208</u>		<u>405,126</u>	
<b>Current assets</b>					
Debtors	8	2,575,089		2,605,449	
		<u>2,575,089</u>		<u>2,605,449</u>	
<b>Creditors: amounts falling due within one year</b>	9	(3,767,761)		(2,708,995)	
<b>Net current liabilities</b>		<u>(1,192,672)</u>		<u>(103,546)</u>	
<b>Total assets less current liabilities</b>		<u>(454,464)</u>		<u>301,580</u>	
<b>Creditors: amounts falling due after more than one year</b>	10	(325,052)		(258,438)	
		<u>(779,516)</u>		<u>43,142</u>	
<b>Capital and reserves</b>					
Called up share capital	11	100		100	
Profit and loss account	12	(779,616)		43,042	
<b>Shareholders' funds - equity interests</b>	13	<u>(779,516)</u>		<u>43,142</u>	

The financial statements were approved by the Board on 15th September 2003

  
J. Gray  
Director

# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002**

	2002		2001	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		367,356		132,750
<b>Returns on investments and servicing of finance</b>				
Interest paid	(28,270)		(7,903)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(28,270)		(7,903)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(191,125)		(265,285)	
Payments to acquire investments	(139)		(90)	
<b>Net cash outflow for capital expenditure</b>		(191,264)		(265,375)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		156,611		(140,528)
<b>Financing</b>				
Issue of ordinary share capital	-		99	
New long term bank loan	-		188,575	
Other new short term loans	-		9,846	
Repayment of long term bank loan	(9,768)		(3,618)	
Repayment of other short term loans	(1,103)		-	
Capital element of hire purchase contracts	(149,245)		(54,374)	
<b>Net cash (outflow)/inflow from financing</b>		(160,116)		140,528
<b>Decrease in cash in the year</b>		(3,505)		-

# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2002	2001
		£	£
	Operating (loss)/profit	(803,177)	31,634
	Depreciation of tangible assets	121,382	19,603
	Decrease/(increase) in debtors	30,360	(2,547,134)
	Increase in creditors within one year	1,018,791	2,628,647
	<b>Net cash inflow from operating activities</b>	<b>367,356</b>	<b>132,750</b>

2	Analysis of net debt	1 January 2002	Cash flow	Other non-cash changes	31 December 2002
		£	£	£	£
	Net cash:				
	Bank overdrafts	-	(3,505)	-	(3,505)
	Debt:				
	Finance leases	(104,978)	(113,954)	-	(218,932)
	Debts falling due within one year	(9,846)	1,103	-	(8,743)
	Debts falling due after one year	(184,957)	9,767	-	(175,190)
		(299,781)	(103,084)	-	(402,865)
	<b>Net debt</b>	<b>(299,781)</b>	<b>(106,589)</b>	<b>-</b>	<b>(406,370)</b>

3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	Decrease in cash in the year	(3,505)	-
	Cash inflow from increase in debt and lease financing	(103,084)	(299,781)
	<b>Movement in net debt in the year</b>	<b>(106,589)</b>	<b>(299,781)</b>
	Opening net debt	(299,781)	-
	<b>Closing net debt</b>	<b>(406,370)</b>	<b>(299,781)</b>

# **SPEARMINT RHINO VENTURES (UK) LIMITED**

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

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

In the year ended 31 December 2002, the subsidiary companies Spearmint Rhino Companies (Europe) Limited and Spearmint Rhino Companies (Birmingham) Limited provided support to fellow subsidiary companies via the ultimate parent company.

At the balance sheet date, the parent company was owed £2,443,249 from subsidiary companies but owed Spearmint Rhino Companies (Europe) Limited and Spearmint Rhino Companies (Birmingham) Limited amounts of £1,763,725 and £1,184,947 respectively. The parent company will require significant repayment of the amounts due from subsidiary companies in order to meet its liabilities to Spearmint Rhino Companies (Europe) Limited and Spearmint Rhino Companies (Birmingham) Limited. Due to the amounts owed to Spearmint Rhino Companies (Europe) Limited and Spearmint Rhino Companies (Birmingham) Limited, the company will settle their VAT liabilities going forward of £336,478 and £107,259 respectively.

The continued support of these two subsidiary companies is critical to the parent company's ability to continue to provide cashflow assistance to its other subsidiary companies.

At the balance sheet date the company also owed the director £566,066, and continued support is essential going forward. Indeed, as at 7 July 2003 the director had provided further funds of approximately £1.4 million. The director considers it appropriate to prepare the financial statements on a going concern basis.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable accounting standards.

#### **1.3 Turnover**

Turnover represents management charges from subsidiary companies.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the term of the lease
Plant and machinery	20% Straight line
Fixtures, fittings & equipment	20% Straight line
Motor vehicles	20% Straight line

#### **1.5 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.6 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

### 1 Accounting policies

(continued)

#### 1.7 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment.

#### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating (loss)/profit	2002 £	2001 £
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	121,382	19,603
	Loss on foreign exchange transactions	-	15,583
	Operating lease rentals	7,005	31,031
	Auditors' remuneration	4,025	18,701
	and after crediting:		
		<hr/>	<hr/>
4	Interest payable	2002 £	2001 £
	On bank loans and overdrafts	13,409	7,903
	Hire purchase interest	14,861	-
		<hr/>	<hr/>
		28,270	7,903
		<hr/>	<hr/>

# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

5	Taxation	2002 £	2001 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	21,510
	<b>Current tax charge</b>	-	21,510
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(8,789)	-
		(8,789)	21,510
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(831,447)	23,731
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2001 : 30.00 %)	(249,434)	7,119
	Effects of:		
	Non deductible expenses	37,279	15,455
	Depreciation add back	36,415	5,881
	Capital allowances	(26,563)	(6,945)
	Tax losses utilised	157,008	-
	Other tax adjustments	45,295	-
		249,434	14,391
	<b>Current tax charge</b>	-	21,510

On the basis of these financial statements no provision has been made for corporation tax.

# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

### 6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2002	208,695	-	56,590	159,352	424,637
Additions	12,321	235,000	177,134	29,870	454,325
At 31 December 2002	221,016	235,000	233,724	189,222	878,962
<b>Depreciation</b>					
At 1 January 2002	-	-	4,501	15,102	19,603
Charge for the year	2,385	39,167	32,525	47,305	121,382
At 31 December 2002	2,385	39,167	37,026	62,407	140,985
<b>Net book value</b>					
At 31 December 2002	218,631	195,833	196,698	126,815	737,977
At 31 December 2001	208,695	-	52,089	144,250	405,034

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
<b>Net book values</b>			
At 31 December 2002	206,277	115,970	322,247
At 31 December 2001	-	144,250	144,250
<b>Depreciation charge for the year</b>			
31 December 2002	41,512	43,690	85,202
31 December 2001	-	15,102	15,102

# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

### 7 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2002	92
Additions	139
	<hr/>
At 31 December 2002	231
	<hr/>

### Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held	%
<b>Subsidiary undertakings</b>				
Spearmint Rhino Companies (Europe) Limited	England & Wales	Ordinary		100
Spearmint Rhino Companies (Birmingham) Limited	England and Wales	Ordinary		100
Sassy Productions Limited	England and Wales	Ordinary		51
Italian Restaurants Limited *	England and Wales	Ordinary		51
Leisure Net.Works Limited	England and Wales	Ordinary		70
Spearmint Rhino (HW) Limited	England and Wales	Ordinary		100
Spearmint Rhino Secretarial Services Limited	England and Wales	Ordinary		100
Acra Systems Limited	England and Wales	Ordinary		100
Benton Solutions Limited	England and Wales	Ordinary		100
Darkway Developments Limited	England and Wales	Ordinary		100
Gransys Technology Limited	England and Wales	Ordinary		80
Tadsys Services Limited	England and Wales	Ordinary		100
Josys Enterprises Limited	England and Wales	Ordinary		100
Sonfield Developments Limited	England and Wales	Ordinary		100
Land and Sea Limited	England and Wales	Ordinary		100
Livorno Leisure Limited	England and Wales	Ordinary		100
		<hr/>	<hr/>	<hr/>



# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

### 7 Fixed asset investments

(continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2002 £	Profit for the year 2002 £
Spearmint Rhino Companies (Europe) Limited	1,180,936	560,829
Spearmint Rhino Companies (Birmingham) Limited	1,120,588	708,460
Sassy Productions Limited	(343,166)	(282,997)
Italian Restaurants Limited *	(46,012)	-
Leisure Net.Works Limited	(500,732)	(235,063)
Spearmint Rhino (HW) Limited	(52,293)	(52,295)
Spearmint Rhino Secretarial Services Limited	2	-
Acra Systems Limited	2	-
Benton Solutions Limited	2	-
Darkway Developments Limited	2	-
Gransys Technology Limited	2	-
Tadsys Services Limited	2	-
Josys Enterprises Limited	2	-
Sonfield Developments Limited	(240,994)	(241,094)
Land and Sea Limited	(508,116)	(508,118)
Livorno Leisure Limited	(44,506)	(44,508)

\* 100% subsidiary of Sassy Productions Limited.

In February 2002 the company purchased the entire share capital of a company, Leyland (Hull) Limited, for £100. The company was subsequently sold in November 2002 to VPL Ventures Limited, having not traded. The consideration for the sale was £50,000, although since the year-end no amounts have been received in respect of this. The director has determined that this balance is not recoverable and as such it has not been brought into these financial statements.

At the balance sheet date, £105,510 was due from Leyland (Hull) Limited in respect of provision of funds during the year for cashflow requirements. The director has taken the view that this is not recoverable and has decided to write off the entire balance.

Additionally, since the year-end, the subsidiary Livorno Leisure Limited has surrendered its lease and is unlikely to be a viable concern. Therefore, the director has taken the view that the balance owed from Livorno Leisure Limited of £44,476 is not recoverable and has decided to write off the whole amount.

# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

8	Debtors	2002 £	2001 £
	Amounts owed by parent and fellow subsidiary undertakings	-	90,000
	Amounts owed by subsidiary undertakings	2,443,249	236,661
	Other debtors	130,529	1,162,914
	Prepayments and accrued income	1,311	1,115,874
		<u>2,575,089</u>	<u>2,605,449</u>
9	Creditors: amounts falling due within one year	2002 £	2001 £
	Bank loans and overdrafts	12,248	9,846
	Net obligations under hire purchase contracts	69,070	31,497
	Trade creditors	137,563	142,128
	Amounts owed to subsidiary undertakings	2,948,672	2,457,759
	Corporation tax	39,005	39,005
	Director's current accounts	556,067	-
	Other creditors	-	16
	Accruals and deferred income	5,136	28,744
		<u>3,767,761</u>	<u>2,708,995</u>
	Debt due in one year or less	<u>8,743</u>	<u>9,846</u>

The bank overdraft is secured.

# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

10 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	175,190	184,957
Net obligations under hire purchase contracts	149,862	73,481
	<u>325,052</u>	<u>258,438</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	183,933	194,803
	<u>183,933</u>	<u>194,803</u>
Included in current liabilities	(8,743)	(9,846)
	<u>175,190</u>	<u>184,957</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	10,563	10,284
In more than two years but not more than five years	34,657	33,554
In more than five years	129,970	141,119
	<u></u>	<u></u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	85,041	41,563
Repayable between one and five years	188,391	83,697
	<u>273,432</u>	<u>125,260</u>
Finance charges and interest allocated to future accounting periods	(54,500)	(20,282)
	<u>218,932</u>	<u>104,978</u>
Included in liabilities falling due within one year	(69,070)	(31,497)
	<u>149,862</u>	<u>73,481</u>
<b>11 Share capital</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 Ordinary shares of £ 1 each	1,000	1,000
	<u></u>	<u></u>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £ 1 each	100	100
	<u></u>	<u></u>

# SPEARMINT RHINO VENTURES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

### 12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2002	43,042
Retained loss for the year	(822,658)
	<hr/>
Balance at 31 December 2002	(779,616)
	<hr/>

### 13 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
(Loss)/Profit for the financial year	(822,658)	2,221
Proceeds from issue of shares	-	99
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(822,658)	2,320
Opening shareholders' funds	43,142	40,822
	<hr/>	<hr/>
Closing shareholders' funds	(779,516)	43,142
	<hr/>	<hr/>

### 14 Transactions with directors

Included in creditors at the balance sheet date is an interest free directors loan amounting to £556,066 (2001:£385,788). The maximum loan amount in the year was £556,066.

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Administration	9	6
	<hr/>	<hr/>

#### Employment costs

	£	£
Wages and salaries	443,714	202,589
Social security costs	45,832	21,036
	<hr/>	<hr/>
	489,546	223,625
	<hr/>	<hr/>

# **SPEARMINT RHINO VENTURES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002**

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### **16 Control**

The ultimate controlling party is John Gray

### **17 Related party transactions**

During the year the company charged its subsidiary undertakings £1,085,122 in relation to management fees.

At the balance sheet date, the company owed £1,763,725 and £1,184,947 to its subsidiary companies Spearmint Rhino Companies (Europe) Limited and Spearmint Rhino Companies (Birmingham) Limited respectively. Amounts receivable from other subsidiary undertakings totalled £2,443,249.