

REGISTRAR'S COPY

COMPANY

NUMBER: 3966166

Tangram Leisure Limited

Abbreviated Financial Statements

Year Ended

31 December 2002



BDO Stoy Hayward
Chartered Accountants

Tangram Leisure Limited

Abbreviated financial statements for the year ended 31 December 2002

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Directors

P R Cronk
P M Tory
M J Wootton

Secretary and registered office

P M Tory, 41 New Road, Chippenham, Wiltshire. SN15 1JQ

Company number

3966166

Auditors

BDO Stoy Hayward, Kings Wharf, 20-30 Kings Road, Reading, RG1 3EX

Tangram Leisure Limited

Report of the independent auditors

Independent auditors' report to Tangram Leisure Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company for the year ended 31 December 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

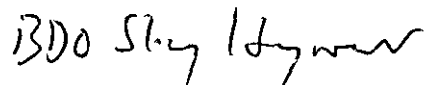
Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors
Reading*

Date: 12 June 2003

Tangram Leisure Limited

Balance sheet at 31 December 2002

	Note	31 December 2002 £	31 December 2002 £	31 December 2001 £	31 December 2001 £
Fixed assets					
Tangible assets	2		3,033,654		2,985,799
Current assets					
Stocks		10,129		7,887	
Debtors		6,400		4,873	
Cash at bank and in hand		217,928		103,168	
		<u>234,457</u>		<u>115,928</u>	
Creditors: amounts falling due within one year		<u>1,583,927</u>		<u>1,071,750</u>	
Net current liabilities			<u>(1,349,470)</u>		<u>(955,822)</u>
Total assets less current liabilities			<u>1,684,184</u>		<u>2,029,977</u>
Creditors: amounts falling due after more than one year	3		<u>180,677</u>		<u>169,650</u>
			<u>1,503,507</u>		<u>1,860,327</u>
Capital and reserves					
Called up share capital	4		437,063		437,063
Share premium account			1,856,510		1,856,510
Profit and loss account			(790,066)		(433,246)
Equity shareholders' funds			<u>1,503,507</u>		<u>1,860,327</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.

The financial statements were approved by the Board on 12 June 2003.

P M Tory
Director

P R Cronk
Director

The notes on pages 3 to 5 form part of these financial statements.

Tangram Leisure Limited

Notes forming part of the financial statements for the year ended 31 December 2002

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

In preparing these financial statements the company has adopted Financial Reporting Standard 19 - Deferred taxation for the first time.

The following principal accounting policies have been applied:

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% straight line
Assets under construction	- Nil
Fixtures, fittings and office equipment	- 15% straight line
Studio	- 2% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Tangram Leisure Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

2 Tangible fixed assets

	Total £
<i>Cost</i>	
At 1 January 2002	2,987,990
Additions	52,805
	<hr/>
At 31 December 2002	3,040,795
	<hr/>
<i>Depreciation</i>	
At 1 January 2002	2,191
Provided for the year	4,950
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At 31 December 2002	7,141
	<hr/>
<i>Net book value</i>	
At 31 December 2002	3,033,654
	<hr/> <hr/>
At 31 December 2001	2,985,799
	<hr/> <hr/>

3 Creditors: amounts falling due after more than one year

Included within other loans is a 6.5% unsecured loan note amounting to £180,677 redeemable by the company at its par value plus accumulated interest at any time between 1 January 2004 and 31 December 2004.

4 Share capital

	31 December 2002 £	Authorised 31 December 2001 £	Allotted, called up and fully paid 31 December 2002 £	31 December 2001 £
<i>Equity share capital</i>				
Ordinary shares of 10p each	2,500,000	2,500,000	437,063	437,063
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Tangram Leisure Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

5 Loans and transactions concerning directors and officers of the company

During the year, the company entered into the following arrangements in which Mr P R Cronk has an interest:

(a) Mannington International (UK) Limited pension scheme, which relates to Mr P R Cronk has a holding of 61,531 ordinary shares of 10p each. This holding represents 1.41% of the total shares issued.

(b) During the year Mr P R Cronk invoiced the company £33,000 for planning and design consulting services. The amount due in respect of these consultancy services at the year end was £35,250.

(c) On 18 June 2002 the company entered in to a secured loan agreement with Mr P R Cronk for the sum of £20,000. This amount was repaid on 11 December 2002 and interest was charged at a rate of 7.5% per annum. This loan was secured by way of a legal mortgage over the land and buildings of the company.