

Registered number: 4058708

**DEALSTORE II PLC**

**Financial statements  
30 September 2003**



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# **DEALSTORE II PLC**

## **Financial statements for the period ended 30 September 2003**

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# **DEALSTORE II PLC**

## **Directors, officers and advisers**

### **Directors**

W S Cairns

P Conway

### **Secretary and registered office**

P Conway

12 Nicholas Lane

London

EC4N 7BN

### **Company number**

4058708

### **Auditors**

Chantrey Vellacott DFK

Chartered Accountants

Russell Square House

10-12 Russell Square

London

WC1B 5LF

# DEALSTORE II PLC

## Directors' report for the period ended 30 September 2003

The directors present their report together with the audited financial statements for the 9 months ended 30 September 2003.

### Principal activities, trading review and future developments

Dealstore II PLC was established as a cash shell in order to identify a single transaction whereby the company would acquire, or would be acquired by an undertaking suitable for admission to a regulated market.

The profit and loss account is set out on page 5 and shows the results for the period.

### Directors

The directors of the company during the year and their beneficial interests in the ordinary share capital of the company were as follows:

	Ordinary shares of 1p each			
	At		At	
	30 September 2003		1 January 2003	
	Warrants	Shares	Warrants	Shares
W S Cairns	5,000,000	5,000,000	5,000,000	5,000,000
P Conway	-	-	-	-

At 30 September 2003, W S Cairns also had a beneficial interest in 20,435,000 ordinary shares of 1p each part paid to 0.25p.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of its financial period and of the profit or loss of the company for the period then ended. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- 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.

# **DEALSTORE II PLC**

## **Directors' report for the period ended 30 September 2003**

### **Auditors**

The auditors, Chantrey Vellacott DFK, having been appointed after the period end following the resignation of BDO Stoy Hayward, have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the next Annual General Meeting.

On behalf of the Board

P CONWAY

Director

Date: 3 November 2003

# **DEALSTORE II PLC**

## **Independent auditors' report to the shareholders of Dealstore II PLC**

We have audited the financial statements of Dealstore II PLC for the period ended 30 September 2003 which comprise the profit and loss account, balance sheet, cash flow statement and the related notes. 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 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 in the Statement of Directors' Responsibilities 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 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 the directors' report and 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 audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board of the Accountancy Foundation. 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.

## **DEALSTORE II PLC**

### **Independent auditors' report to the shareholders of Dealstore II PLC**

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**CHANTREY VELLACOTT DFK**

**Chartered Accountants  
Registered Auditors**

**LONDON**

**3 November 2003**

# DEALSTORE II PLC

## Profit and loss account for the period ended 30 September 2003

	Note	9 months ended 30 September 2003 £	12 months ended 31 December 2002 £
Administrative expenses		4,373	7,120
<b>Operating loss</b>	2	<b>(4,373)</b>	<b>(7,120)</b>
Interest receivable and similar income		8,502	12,227
Interest payable and similar charges		-	(8)
<b>Profit on ordinary activities before taxation</b>	2	<b>4,129</b>	<b>5,099</b>
Taxation on profits on ordinary activities	4	-	138
<b>Profit for the period</b>		<b>4,129</b>	<b>4,961</b>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 8 to 11 form part of these financial statements.



# DEALSTORE II PLC

## Balance sheet as at 30 September 2003

	Note	30 September 2003 £	31 December 2002 £
<b>Current assets</b>			
Debtors	5	622	835
Cash at bank and in hand		<u>408,631</u>	<u>401,679</u>
		<b>409,253</b>	<b>402,514</b>
<b>Creditors:</b> amounts falling due within one year	6	<u>6,869</u>	<u>4,259</u>
<b>Net assets</b>		<u><b>402,384</b></u>	<u><b>398,255</b></u>
<b>Capital and reserves</b>			
Called up share capital	7	425,000	425,000
Profit and loss account	8	<u>(22,616)</u>	<u>(26,745)</u>
<b>Shareholders' funds</b>	9	<u><b>402,384</b></u>	<u><b>398,255</b></u>

These financial statements were approved by the board on

Director:



**P CONWAY**

3 November 2003

The notes on pages 8 to 11 form part of these financial statements.

# DEALSTORE II PLC

## Cash flow statement for the period ended 30 September 2003

	Note	9 months ended 30 September 2003 £	12 months ended 31 December 2002 £
Cash outflow from operating activities	10	<u>(1,625)</u>	<u>(7,494)</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		8,715	12,320
Interest paid		<u>-</u>	<u>(8)</u>
		<u>8,715</u>	<u>12,312</u>
<b>Taxation</b>			
UK corporation tax paid		<u>(138)</u>	<u>(686)</u>
<b>Cash inflow before use of liquid resources and financing</b>		6,952	4,132
<b>Management of liquid resources</b>			
Increase in short term deposits		<u>-</u>	<u>(6,820)</u>
<b>Increase/(decrease) in cash in the period</b>		<u>6,952</u>	<u>(2,688)</u>
<b>Reconciliation of net cash inflow/(outflow) to movement in net funds</b>			
Increase/(decrease) in cash in the period		6,952	(2,688)
Cash outflow from increase in liquid resources		-	6,820
Opening net funds		<u>401,679</u>	<u>397,547</u>
<b>Closing net funds</b>	11	<u>408,631</u>	<u>401,679</u>

The notes on pages 8 to 11 form part of these financial statements.

# DEALSTORE II PLC

## Notes to the financial statements For the period ended 30 September 2003

### 1. Accounting policies

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with applicable UK accounting standards.

### 2. Operating loss

	9 months ended 30 September 2003 £	12 months ended 31 December 2002 £
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This has been arrived at after charging:

Auditors' remuneration:

- audit services	2,500	2,702
- non-audit services	1,200	1,175

### 3. Directors

No director received any emoluments from the company during the period (2002 : nil).

### 4. Taxation

	9 months ended 30 September 2003 £	12 months ended 31 December 2002 £
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UK corporation tax – current year	-	138
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The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	9 months ended 30 September 2003 £	12 months ended 31 December 2002 £
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Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2002 : 30%)	1,239	1,530
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Effects of:

Expenses not deductible for tax purposes	-	150
Lower rate tax adjustment	(1,239)	(1,542)

	-	138
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### 5. Debtors: amounts receivable within one year

	30 September 2003 £	31 December 2002 £
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Accrued income	622	835
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# DEALSTORE II PLC

## Notes to the financial statements For the period ended 30 September 2003

6.	<b>Creditors: amounts falling due within one year</b>	<b>30 September 2003 £</b>	<b>31 December 2002 £</b>
	Accruals	6,869	4,121
	Corporation tax	-	138
		<u>6,869</u>	<u>4,259</u>
7.	<b>Share capital</b>	<b>30 September 2003 £</b>	<b>31 December 2002 £</b>
	<b>Authorised:</b>		
	500,000,000 ordinary shares of 1p each	<u>5,000,000</u>	<u>5,000,000</u>
	<b>Issued and fully paid:</b>		
	17,500,000 ordinary shares of 1p each	175,000	175,000
	<b>Issued and partly paid to 0.25p per share:</b>		
	100,000,000 ordinary shares of 1p each	<u>250,000</u>	<u>250,000</u>
		<u>425,000</u>	<u>425,000</u>

Attached to each of the 17,500,000 fully paid ordinary 1p, founder shares, is a warrant which gives the holder the right to subscribe for one ordinary share. Each founder share also has attached a subscription right, which gives the holder the right to subscribe for one ordinary share, with a warrant attached, for each ordinary share subscribed. Both the warrants and subscription rights can be exercised at any time within seven years from the date of allotment and are freely transferable. The subscription price of the warrants and the subscription rights is par value. If all the warrants and subscription rights outstanding were to be exercised there would be a further 52,500,000 ordinary shares in issue.

Save for the above no share capital of the company is under option or agreed conditionally or otherwise to be put under option.

The company has also issued 100,000,000 ordinary shares of 1p each at a subscription price of 1p each partly paid as to 0.25 per ordinary share. All ordinary shares rank pari passu in all respects. In the event that the company declares a dividend, the holders of the partly paid shares will be entitled to receive the same in proportion to the amount paid up on the partly paid shares. On a winding up, surplus assets shall be applied as follows:

- First, in paying the holders of the ordinary shares the amounts paid up or credited as paid up on such shares; and
- secondly in distributing the balance amongst the holders of the ordinary shares in proportion to the amount paid or credited as paid up on the ordinary shares held by them.

# DEALSTORE II PLC

## Notes to the financial statements For the period ended 30 September 2003

8.	<b>Reserves</b>		<b>Profit and loss account</b>
			£
	At 1 January 2003		(26,745)
	Profit for the period		4,129
	At 30 September 2003		<u>(22,616)</u>
9.	<b>Reconciliation of movements in shareholders' funds</b>		
		<b>9 months ended</b>	<b>12 months ended</b>
		<b>30 September 2003</b>	<b>31 December 2002</b>
		£	£
	Profit for the period	4,129	4,961
	Opening shareholders' funds	<u>398,255</u>	<u>393,294</u>
	Closing shareholders' funds	<u><u>402,384</u></u>	<u><u>398,255</u></u>
10.	<b>Reconciliation of operating loss to operating cash flows</b>	<b>9 months ended</b>	<b>12 months ended</b>
		<b>30 September 2003</b>	<b>31 December 2002</b>
		£	£
	Operating loss	(4,373)	(7,120)
	Increase/(decrease) in creditors	<u>2,748</u>	<u>(374)</u>
	Net cash outflow from operating activities	<u><u>(1,625)</u></u>	<u><u>(7,494)</u></u>
11.	<b>Analysis of net funds</b>		
		<b>Opening balance</b>	<b>Closing balance</b>
		£	£
	Cash at bank and in hand	550	58
	Liquid resources	<u>401,129</u>	<u>408,573</u>
	Total	<u><u>401,679</u></u>	<u><u>408,631</u></u>

## **DEALSTORE II PLC**

### **Notes to the financial statements For the period ended 30 September 2003**

#### **12. Related party transactions**

During the year the company incurred £606 (2002 : £1,542) of administration cost from Weighbridge Trust Limited. Of this amount of £Nil was outstanding at 30 September 2003.

Weighbridge Trust Limited is under the control of W S Cairns, a director and the controlling shareholder of Dealstore II PLC.