

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
24 JANUARY TO 31 DECEMBER 2001  
FOR  
AUCTIONAIR LIMITED**



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**AUCTIONAIR LIMITED**

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for the Period 24 January to 31 December 2001**

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**AUCTIONAIR LIMITED**

**COMPANY INFORMATION**  
**for the Period 24 January to 31 December 2001**

**DIRECTORS:**

Albert Scardino  
Duncan Hilleary  
Neil Worgan  
Alexander Morrison  
Charles Alasdair MacLeod

**SECRETARY:**

Giles Elliott

**REGISTERED OFFICE:**

Chadshunt  
Kineton  
Warwickshire  
CV35 0EQ

**REGISTERED NUMBER:**

4146549 (England & Wales)

# **AUCTIONAIR LIMITED**

## **REPORT OF THE DIRECTORS** for the Period 24 January to 31 December 2001

The directors present their report with the financial statements of the company for the period 24 January to 31 December 2001.

### **INCORPORATION**

The company was incorporated on 24 January 2001 and commenced trading on 1 July 2001.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was the operation of sealed bid, non-binding auctions.

### **BUSINESS REVIEW**

During the period under review the company conducted two trial auctions with encouraging results. Based on this the directors intend to expand the business and plan to issue further shares to raise additional capital in the next year.

As a result of its activities, the company made a charitable donation of £71,788 to Sight Savers International which enabled them to complete the establishment of an eye hospital in Hoima, Uganda.

### **DIRECTORS**

The directors during the period under review were:

Albert Scardino	- appointed 7 March 2001
Duncan Hilleary	- appointed 2 February 2001
Neil Worgan	- appointed 7 March 2001
Alexander Morrison	- appointed 7 March 2001
Charles Alasdair MacLeod	- appointed 26 September 2001
	- resigned 25 February 2003

The beneficial interests of the directors holding office on 31 December 2001 in the issued share capital of the company were as follows:

	<u>Ordinary Shares of 1p each</u>	
	<u>31-Dec-2001</u>	<u>date of</u>
		<u>appointment</u>
Albert Scardino - personally	1,995	250
- as owner of 25% of Blue Planet Management Limited	750	88
	<u>2,745</u>	<u>338</u>
Duncan Hilleary - personally	3,500	3,000
- as owner of 75% of Blue Planet Management Limited	2,250	263
- as owner of 100% of Fairlow Limited	5,738	
	<u>11,488</u>	<u>3,263</u>
Neil Worgan	3,121	1,000
Alexander Morrison	500	250
Charles Alasdair MacLeod	560	-

At 31 December 2001 the directors holding office on that date held options to acquire ordinary shares of 1p each at a unit price of £7.00 each exercisable at any time between 1 May 2002 and 31 May 2007, as follows:

	<u>Number</u>	<u>Nominal</u>	<u>Total</u>
		<u>Value</u>	<u>Price</u>
		£	£
Albert Scardino	658	6.58	4,606
Duncan Hilleary	2,683	26.83	18,781
Neil Worgan	759	7.59	5,313
Alexander Morrison	506	5.06	3,542

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:**

Duncan Hilleary (Director)

Dated: 23 May 2003

**AUCTIONAIR LIMITED**

**PROFIT & LOSS ACCOUNT**  
**for the Period 24 January to 31 December 2001**

	Notes	£
<b>TURNOVER</b>		217,564
Cost of sales		163,228
<b>GROSS PROFIT</b>		<u>54,336</u>
Administrative expenses		464,578
<b>OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<u>(410,242)</u>
Tax on loss on ordinary activities		-
<b>LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION</b>	3	<u>(410,242)</u>
<b>DEFICIT CARRIED FORWARD</b>		<u><u>(£410,242)</u></u>

The notes form part of these financial statements

**AUCTIONAIR LIMITED**

**BALANCE SHEET  
31 December 2001**

	Notes	£	£
<b>FIXED ASSETS:</b>			
Tangible Assets	4		12,500
<b>CURRENT ASSETS:</b>			
Stocks		777	
Debtors	5	110,709	
Deposits		65,758	
Cash at Bank and in hand		71,253	
		<u>248,497</u>	
<b>CREDITORS: Amounts falling due within one year</b>		<u>220,710</u>	
<b>NET CURRENT ASSETS:</b>			<u>27,786</u>
<b>TOTAL ASSETS LESS LIABILITIES:</b>			<u><u>£40,286</u></u>
<b>CAPITAL AND RESERVES:</b>			
Called up Share Capital	6		231
Share Premium			450,297
Profit & Loss Account			(410,242)
<b>SHAREHOLDERS' FUNDS:</b>			<u><u>£40,286</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ended 31 December 2001.

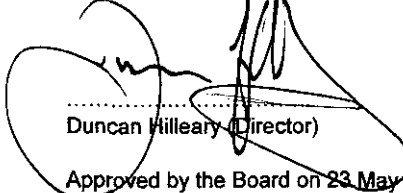
The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2001 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985
- (b) and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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.

ON BEHALF OF THE BOARD:

  
 .....  
 Duncan Hilleary (Director)  
 Approved by the Board on 23 May 2003

The notes form part of these financial statements

# **AUCTIONAIR LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the Period 24 January to 31 December 2001**

### **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, excluding value added tax.

#### **Tangible Fixed Assets**

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

Office Furniture and Equipment - 25% on cost

#### **Deferred Tax**

Deferred Tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

### **2. OPERATING LOSS**

The operating loss is stated after charging:

Depreciation - owned assets	<u>£1,786</u>
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### **3. TAXATION**

No liability to UK corporation tax arose on ordinary activities for the period.

### **4. TANGIBLE FIXED ASSETS**

	<u>Office Furniture and Equipment</u>
	£
<b>COST:</b>	
Additions	14,286
At 31 December 2001	<u>14,286</u>
<b>DEPRECIATION:</b>	
Charge for period	1,786
At 31 December 2001	<u>1,786</u>
<b>NET BOOK VALUE:</b>	
At 31 December 2001	<u>£12,500</u>

**AUCTIONAIR LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the Period 24 January to 31 December 2001**

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

	£
Called up share capital and premium not paid	79,982
Other Debtors and Prepayments	30,727
	<u>£110,709</u>
Called up share capital and premium was subsequently paid as follows:	
14 March 2002	49,996
3 May 2002	29,500

**6. CALLED UP SHARE CAPITAL**

Ordinary Shares of 1p each:	<u>Number</u>	<u>Nominal Value</u> £	<u>Cash Received</u> £
Authorised in the period:	<u>100,000</u>	<u>1,000</u>	
Allotted in the period to provide funds to develop the business:	5,000	50	50
	5,000	50	100,000
	<u>13,102</u>	<u>131</u>	<u>350,478</u>
	<u>23,102</u>	<u>£231</u>	<u>£450,528</u>
Issued and fully paid in the period:	5,000	50	50
	5,000	50	100,000
	<u>10,112</u>	<u>101</u>	<u>270,496</u>
	<u>20,112</u>	<u>£201</u>	<u>£370,546</u>

Options were granted in the period to acquire Ordinary Shares of 1p each as follows:

<u>Exercisable Period</u>	<u>Number</u>	<u>Nominal Value</u> £	<u>Total Price</u> £
21 June 2002 to 20 June 2007	151	1.51	1,057
1 May 2002 to 31 May 2007	<u>4,909</u>	<u>49.09</u>	<u>34,363</u>
	<u>5,060</u>	<u>50.60</u>	<u>£35,420</u>