

HOUSE OF GRAY (OPERATIONS) LIMITED
FINANCIAL STATEMENTS
FOR
31st MARCH 2002



GARNER BLEASDALE CHANDLER

Chartered Accountants
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HOUSE OF GRAY (OPERATIONS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2002

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HOUSE OF GRAY (OPERATIONS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st MARCH 2002

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31st March 2002.

PRINCIPAL ACTIVITIES

The company ceased trading during the year.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.01 each	
	At 31 March 2002	At 1 April 2001
L Horton	173,775	173,775
C Aldridge	153,440	153,440
M B J Heathcote	55,223	55,223
M van der Matten	55,180	55,180
AJN Warwick	—	—

L Horton retired as a director on 26th November 2002.

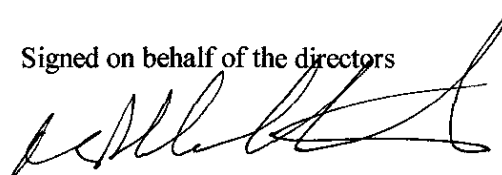
AJN Warwick retired as a director on 22nd March 2003.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Invergowrie
Dundee
Tayside
DD2 5JZ

Signed on behalf of the directors



M B J Heathcote
Director

Approved by the directors on 28 July 2003

HOUSE OF GRAY (OPERATIONS) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31st MARCH 2002**

	Note	2002 £	2001 £
TURNOVER		—	—
Administrative expenses		<u>500</u>	<u>6,500</u>
OPERATING LOSS	2	(500)	(6,500)
Interest receivable		—	12,500
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(500)	6,000
Tax on (loss)/profit on ordinary activities	3	—	600
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(500)	5,400
Balance brought forward		<u>48,253</u>	<u>42,853</u>
Balance carried forward		<u><u>47,753</u></u>	<u><u>48,253</u></u>

The notes on pages 5 to 7 form part of these financial statements.

HOUSE OF GRAY (OPERATIONS) LIMITED

BALANCE SHEET

31st MARCH 2002

	Note	2002 £	£	2001 £	£
CURRENT ASSETS					
Debtors	4	326,087		327,287	
Cash at bank		4		4	
		<u>326,091</u>		<u>327,291</u>	
CREDITORS: Amounts falling due within one year	5	<u>19,482</u>		<u>20,182</u>	
NET CURRENT ASSETS			<u>306,609</u>		<u>307,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>306,609</u>		<u>307,109</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	6		<u>6,810</u>		<u>6,810</u>
			<u>299,799</u>		<u>300,299</u>

The Balance sheet continues on the following page.

The notes on pages 5 to 7 form part of these financial statements.

HOUSE OF GRAY (OPERATIONS) LIMITED

BALANCE SHEET *(continued)*

31st MARCH 2002

	Note	2002 £	2001 £
CAPITAL AND RESERVES			
Called-up equity share capital	9	8,883	8,883
Share premium account		243,163	243,163
Profit and loss account		47,753	48,253
SHAREHOLDERS' FUNDS		299,799	300,299

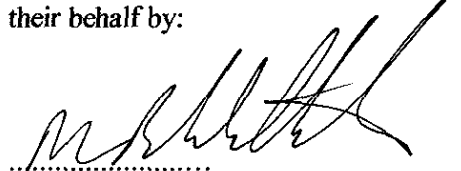
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

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

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 28 July 2003 and are signed on their behalf by:



M B J HEATHCOTE

HOUSE OF GRAY (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2002

1. ACCOUNTING POLICIES

Basis of accounting

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).

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. OPERATING LOSS

Operating loss is stated after charging:

	2002 £	2001 £
Directors' emoluments	—	—

3. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2001 - 20%)	—	600
Total current tax	—	600

4. DEBTORS

	2002 £	2001 £
Other debtors	229,535	230,735
Prepayments and accrued income	96,552	96,552
	<u>326,087</u>	<u>327,287</u>

The debtors are amount due from House of Gray (Dundee) Limited and are not expected to be repaid within 1 year.

HOUSE OF GRAY (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2002

5. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Other creditors including taxation:		
Corporation tax	1,479	1,479
Accruals and deferred income	18,003	18,703
	<u>19,482</u>	<u>20,182</u>

6. DEFERRED TAXATION

The balance of the deferred taxation provision throughout the year was £6,810.

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002	2001
	£	£
Interest receivable	6,810	6,810
	<u>6,810</u>	<u>6,810</u>

7. COMMITMENTS UNDER OPERATING LEASES

The operating lease on land and buildings for £300,000 per annum with House of Gray (Dundee) Limited was cancelled during the year.

8. RELATED PARTY TRANSACTIONS

All the directors are also directors of House of Gray (Dundee) Limited. The net indebtedness due by that company at the year end was £326,087 (2001 - £327,287).

9. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
1,000,000 Ordinary shares of £0.01 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £0.01 each	<u>888,344</u>	<u>8,883</u>	<u>888,344</u>	<u>8,883</u>

10. POST BALANCE SHEET EVENTS

Following the cessation of trading and cancellation of the lease with House of Gray (Dundee) Limited the directors of the two companies are considering various options to re-organise the share capital of the two companies.

HOUSE OF GRAY (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2002

11. CONTROLLING PARTY

In the view of the directors no one party has control of the company.