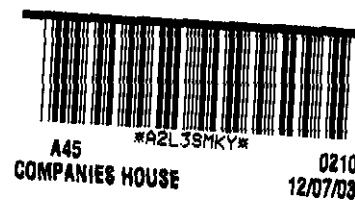


Company Registration No. 2340896 (England and Wales)

A M ADAMS HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2002



A M ADAMS HOLDINGS LIMITED

COMPANY INFORMATION

Directors

A M Adams
D A Adams
D G Adams
S D Adams
J A Adams

Secretary

S D Adams

Company number

2340896

Registered office

Fishleigh Road
Roundswell Business Park
Barnstaple
Devon

Auditors

Robson Taylor
7 Queen Square
Bristol
BS1 4JE

Bankers

National Westminster Bank plc
41 High Street
Barnstaple
EX31 1DA

A M ADAMS HOLDINGS LIMITED

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A M ADAMS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2002

The directors present their report and financial statements for the year ended 31 October 2002.

Principal activities and review of the business

The principal activity of the company continued to be that of the provision of management services to group companies.

Results and dividends

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

Directors

The following directors have held office since 1 November 2001:

A M Adams
D A Adams
D G Adams
S D Adams
J A Adams

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 October 2002	1 November 2001
A M Adams	26	26
D A Adams	26	26
D G Adams	16	16
S D Adams	16	16
J A Adams	16	16

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Robson Taylor be reappointed as auditors of the company will be put to the Annual General Meeting.

A M ADAMS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2002

Directors' responsibilities

Company law requires the directors 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 directors are 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 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.

On behalf of the board



B A Adams

Director

9 July 2003

A M ADAMS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A M ADAMS HOLDINGS LIMITED

We have audited the financial statements of A M ADAMS HOLDINGS LIMITED on pages 4 to 15 for the year ended 31 October 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 directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are 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 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 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 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.

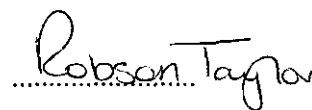
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Robson Taylor

Chartered Accountants
Registered Auditor


7 Queen Square
Bristol
BS1 4JE
10 July 2003

A M ADAMS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2002

	Notes	2002 £	2001 £
Turnover	2	976,633	1,031,908
Cost of sales		(913,942)	(917,016)
Gross profit		<u>62,691</u>	<u>114,892</u>
Administrative expenses		(48,611)	(123,836)
Operating profit/(loss)	3	<u>14,080</u>	<u>(8,944)</u>
Other interest receivable and similar income		886	3,266
Amounts written off investments	4	-	(100)
Interest payable and similar charges	5	(685)	(829)
Profit/(loss) on ordinary activities before taxation		<u>14,281</u>	<u>(6,607)</u>
Tax on profit/(loss) on ordinary activities	6	4,786	-
Profit/(loss) on ordinary activities after taxation	13	<u><u>19,067</u></u>	<u><u>(6,607)</u></u>

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

There are no recognised gains and losses other than those passing through the profit and loss account.

A M ADAMS HOLDINGS LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	7		6,233		25,766
Investments	8		101		100
			<u>6,334</u>		<u>25,866</u>
Current assets					
Debtors	9	346,537		130,532	
Cash at bank and in hand		211,240		392,499	
		<u>557,777</u>		<u>523,031</u>	
Creditors: amounts falling due within one year	10	<u>(64,572)</u>		<u>(68,425)</u>	
Net current assets			<u>493,205</u>		<u>454,606</u>
Total assets less current liabilities			<u>499,539</u>		<u>480,472</u>
			<u>499,539</u>		<u>480,472</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		499,439		480,372
Shareholders' funds - equity interests	14		<u>499,539</u>		<u>480,472</u>

The financial statements were approved by the Board on 9 July 2003


D A Adams
Director


S D Adams
Director

A M ADAMS HOLDINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2002

	2002 £	2001 £
Net cash (outflow)/inflow from operating activities	(178,988)	257,879
Returns on investments and servicing of finance		
Interest received	886	3,266
Interest paid	(685)	(829)
Net cash inflow for returns on investments and servicing of finance	201	2,437
Taxation	2,388	(15,994)
Capital expenditure		
Payments to acquire tangible assets	(2,385)	(11,426)
Receipts from sales of tangible assets	-	15,515
Receipts from sales of investments	-	200
Net cash (outflow)/inflow for capital expenditure	(2,385)	4,289
Acquisitions and disposals		
Purchase of subsidiary undertakings (net of cash acquired)	(1)	-
Net cash outflow for acquisitions and disposals	(1)	-
Net cash (outflow)/inflow before management of liquid resources and financing	(178,785)	248,611
Financing		
Capital element of hire purchase contracts	(2,474)	(3,299)
Net cash outflow from financing	(2,474)	(3,299)
(Decrease)/increase in cash in the year	<u>(181,259)</u>	<u>245,312</u>

A M ADAMS HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2002

1	Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2002		2001	
		£		£	
	Operating profit/(loss)	14,080		(8,944)	
	Depreciation of tangible assets	21,918		22,729	
	(Increase)/decrease in debtors	(209,313)		253,305	
	Decrease in creditors within one year	(5,673)		(9,211)	
	Net cash (outflow)/inflow from operating activities	(178,988)		257,879	
2	Analysis of net funds	1 November 2001	Cash flow	Other non-cash changes	31 October 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	392,499	(181,259)	-	211,240
	Debt:				
	Finance leases	(2,474)	2,474	-	-
	Net funds	390,025	(178,785)	-	211,240
3	Reconciliation of net cash flow to movement in net funds	2002		2001	
		£		£	
	(Decrease)/increase in cash in the year	(181,259)		245,212	
	Cash outflow from decrease in debt and lease financing	2,474		3,299	
	Movement in net funds in the year	(178,785)		248,511	
	Opening net funds	390,025		141,514	
	Closing net funds	211,240		390,025	

A M ADAMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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:

Plant and equipment	10% Reducing Balance
Fixtures, Fittings & Office Equipment	20% to 25% Straight Line
Motor vehicles	20% Straight line

1.4 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.

1.5 Investments

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

1.6 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 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. If the new policy had been in place in the previous period an asset would have been recognised as the conditions for recognition would have been satisfied.

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings 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.

A M ADAMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

3	Operating profit/(loss)	2002	2001
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	21,918	22,729
	Auditors' remuneration	2,400	2,250
		<u> </u>	<u> </u>
4	Amounts written off investments	2002	2001
		£	£
	Amounts written off fixed asset investments:		
	Investment in subsidiary written off	-	100
		<u> </u>	<u> </u>
5	Interest payable	2002	2001
		£	£
	Hire purchase interest	643	829
		<u> </u>	<u> </u>

A M ADAMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

6	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	4,294	-
	Adjustment for prior years	(2,388)	-
		<u>1,906</u>	<u>-</u>
	Current tax charge		
	Deferred tax		
	Deferred tax charge/credit current year	(6,692)	-
		<u>(4,786)</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>14,281</u>	<u>(6,607)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00 % (2001 : 20.00 %)	<u>2,856</u>	<u>(1,321)</u>
	Effects of:		
	Non deductible expenses	20	222
	Depreciation add back	4,384	4,546
	Capital allowances	(2,742)	(3,878)
	Tax losses utilised	-	311
	Adjustments to previous periods	(2,388)	-
	Other tax adjustments	(224)	120
		<u>(950)</u>	<u>1,321</u>
	Current tax charge	<u>1,906</u>	<u>-</u>

A M ADAMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

7 Tangible fixed assets

	Fixtures, Fittings and Office Equipment	Plant and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 November 2001	64,713	31,850	6,169	102,732
Additions	2,385	-	-	2,385
	<u>67,098</u>	<u>31,850</u>	<u>6,169</u>	<u>105,117</u>
At 31 October 2002				
Depreciation				
At 1 November 2001	46,520	26,230	4,216	76,966
Charge for the year	16,166	4,518	1,234	21,918
	<u>62,686</u>	<u>30,748</u>	<u>5,450</u>	<u>98,884</u>
At 31 October 2002				
Net book value				
At 31 October 2002	4,412	1,102	719	6,233
	<u>18,193</u>	<u>5,620</u>	<u>1,953</u>	<u>25,766</u>
At 31 October 2001				

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

	Plant and equipment £
Net book values	
At 31 October 2002	-
	<u>2,752</u>
At 31 October 2001	
Depreciation charge for the year	
31 October 2002	-
	<u>3,666</u>
31 October 2001	

A M ADAMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 November 2001	100
Additions	1
	<hr/>
At 31 October 2002	101
	<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 %
Subsidiary undertakings			
Golden Coast Limited	England	£1 Ordinary shares	100
Golden Coast Swimming Pools Limited	England	£1 Ordinary shares	100

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 £
Golden Coast Limited	660,469	18,787
Golden Coast Swimming Pools Limited	1	-
	<hr/>	<hr/>

On 24 May 2002, the company acquired 100% of the share capital of Golden Coast Swimming Pools Limited.

9 Debtors	2002 £	2001 £
Trade debtors	-	1,580
Amounts owed by subsidiary undertakings	335,125	123,364
Other debtors	4,720	5,588
Deferred tax asset (see note 11)	6,692	-
	<hr/>	<hr/>
	346,537	130,532
	<hr/>	<hr/>

A M ADAMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

10 Creditors: amounts falling due within one year	2002 £	2001 £
Net obligations under hire purchase contracts	-	2,474
Trade creditors	12,581	18,320
Amounts owed to subsidiary undertakings	1	-
Corporation tax	4,294	-
Other taxes and social security costs	18,788	17,662
Directors' current accounts	23,908	25,969
Accruals and deferred income	5,000	4,000
	<u>64,572</u>	<u>68,425</u>
Net obligations under hire purchase contracts		
Repayable within one year	-	2,474
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>2,474</u>

11 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 9) is made up as follows:

	2002 £	
Profit and loss account	<u>(6,692)</u>	
	2002 £	2001 £
Accelerated capital allowances	<u>(6,692)</u>	<u>-</u>

A M ADAMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

12 Share capital	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100
	<u> </u>	<u> </u>
13 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 November 2001		480,372
Retained profit for the year		19,067
		<u> </u>
Balance at 31 October 2002		499,439
		<u> </u>
14 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit/(Loss) for the financial year	19,067	(6,607)
Opening shareholders' funds	480,472	487,079
	<u> </u>	<u> </u>
Closing shareholders' funds	499,539	480,472
	<u> </u>	<u> </u>

15 Contingent liabilities

A M Adams Holdings Limited has given an unlimited multilateral guarantee dated 26 March 2001 to National Westminster Bank Plc in respect of the borrowings of its subsidiary company, Golden Coast Limited.

16 Employees

Number of employees

There were no employees during the year apart from the directors.

A M ADAMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

17 Related party transactions

The company is owned and controlled by its directors, who are A M Adams, D A Adams, D G Adams, S D Adams and J A Adams.

During the year, the company charged management charges and rent totalling £163,236 (2001: £198,496) to subsidiary group companies, and purchased goods and services of £812 (2001: £1,468).

The company rents leasehold property from the AM Adams Executive Pension Scheme at an annual rent of £102,300.