

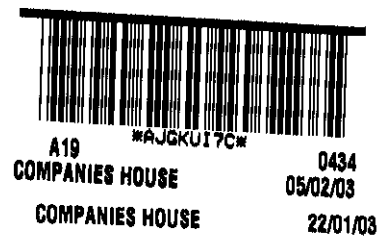
**GREENQUEST LIMITED AND SUBSIDIARY
UNDERTAKINGS**

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 MARCH 2002

COMPANY NO: 1161970



COHEN ARNOLD & CO.
Chartered Accountants & Registered Auditors
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

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GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr M Grosskopf
Mr O Tager
Mr R Tager Q.C.
Mr A E Perelman
Mr A L Traube
Mrs H Tager-Flusberg

Company secretary

Mr C M Frommer

Registered office

New Burlington House
1075 Finchley Road
London
NW11 0PU

Auditors

Cohen Arnold & Co.
Chartered Accountants
& Registered Auditors
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2002

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the group during the year were property investment, farming and the wholesale of clothing and related accessories. These activities have remained unchanged during the year.

RESULTS AND DIVIDENDS

The trading results for the year, and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2002 £	2001 £
Proposed dividend on ordinary shares	<u>150,000</u>	<u>250,000</u>

THE DIRECTORS AND THEIR INTERESTS

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

	Class of share	At 31 March 2002	At 1 April 2001
Mr M Grosskopf	Ordinary £1	21,706	21,706
	Ordinary B 10p	3,168	3,168
Mr O Tager	Ordinary £1	3,001	3,001
	Ordinary A 10p	3,001	3,001
Mr R Tager Q.C.	Ordinary £1	140,487	140,487
	Ordinary A 10p	140,487	140,487
Mr A E Perelman	Ordinary £1	20,703	20,703
	Ordinary B 10p	2,166	2,166
Mr A L Traube	Ordinary £1	88,867	88,867
	Ordinary C 10p	88,867	88,867
Mrs H Tager-Flusberg		—	—
		<u>—</u>	<u>—</u>

In addition to the above Messrs Grosskopf and Perelman hold 189,774 shares as trustees for family trusts.

No director has a service contract with the Group.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2002

DIRECTORS' INTEREST IN CONTRACTS

Management of certain of the Group's properties is carried out by, Pidom Export Limited, of which Mr O Tager is director and shareholder, and by Visaview Limited, of which Mr I Traube son of Mr A L Traube is a director and shareholder.

Transactions were entered into with various companies of which some of the directors of this Company, and members of their immediate families, are directors and/or shareholders. These are listed in Note 20, Related Party Transactions.

LAND AND BUILDINGS

Colleys Professional Services Surveyors & Valuers revalued the majority of the Group's investment properties in December 1998; however some of the Group's investment properties are included in the Balance Sheet at cost.

The directors are of the opinion that the open market values of the remainder of the Group's investment properties, included at cost in the Balance Sheet, are in excess of the amount at which they are included in the Financial Statements.

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 group at the end of the year and of the group's profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 11 to 12, and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2002

AUDITORS

A resolution to re-appoint Cohen Arnold & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors


MR C M FROMMER
Company Secretary

Approved by the directors on 13 / 1 / 03

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MARCH 2002

We have audited the financial statements on pages 7 to 24 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 to 12.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 3.

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. 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, except that the scope of our work was limited as explained below.

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 group's circumstances, consistently applied and adequately disclosed.

We planned 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. However, the evidence available to us was limited because we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the valuation of Stock of finished goods shown in the balance sheet at £4,586,723.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (CONTINUED)

YEAR ENDED 31 MARCH 2002

DEPARTURE FROM ACCOUNTING STANDARD

The group's investment properties are included in the financial statements on the basis indicated in note 1 on accounting policies. This does not comply with the requirements of the Statement of Standard Accounting Practice No.19, which requires such properties to be stated at their open market value. However, as stated in their report, the directors are of the opinion that each of the group's investment properties has an open market value at least equal to the amount at which it is included in the financial statements.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE AND DEPARTURE FROM ACCOUNTING STANDARDS

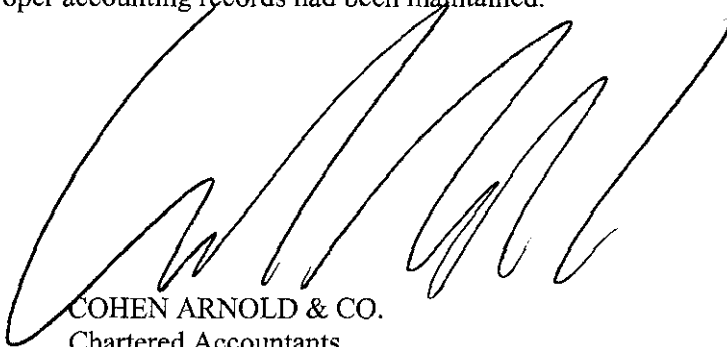
Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the valuation of stock held as finished goods and except for non-compliance with the requirements of the Statement of Standard Accounting Practice No.19, in our opinion the financial statements give a true and fair view of the state of the group and company's affairs at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stock held as finished goods:

- . We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- . We were unable to determine whether proper accounting records had been maintained.

New Burlington House
1075 Finchley Road
LONDON NW11 0PU

13 January 2003



COHEN ARNOLD & CO.
Chartered Accountants
& Registered Auditors

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2002

	Note	2002 £	2001 £
GROUP TURNOVER	2	3,413,130	2,855,674
Cost of sales		<u>1,580,548</u>	<u>1,196,810</u>
GROSS PROFIT		1,832,582	1,658,864
Distribution costs		35,791	36,811
Administrative expenses		509,684	1,326,731
Other operating income	3	<u>(50,562)</u>	<u>(290,000)</u>
OPERATING PROFIT	4	1,337,669	585,322
Profit on disposal of fixed assets	7	<u>17,274</u>	<u>255,203</u>
		1,354,943	840,525
Interest receivable		132,912	51,281
Interest payable	8	<u>(352,820)</u>	<u>(351,379)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,135,035	540,427
Tax on profit on ordinary activities	9	<u>421,543</u>	<u>168,919</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	713,492	371,508
Dividends	11	<u>325,000</u>	<u>440,000</u>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>388,492</u>	<u>(68,492)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Group Profit and Loss Account.

The notes on pages 11 to 24 form part of these financial statements.

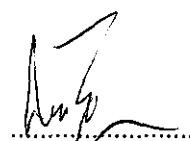
GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP BALANCE SHEET

31 MARCH 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	12	15,508,151	16,827,149
CURRENT ASSETS			
Stocks	14	4,590,773	4,535,831
Debtors	15	7,353,400	6,758,274
Cash at bank		379,851	688,379
		<u>12,324,024</u>	<u>11,982,484</u>
CREDITORS: Amounts falling due within one year	16	<u>5,425,390</u>	<u>4,007,605</u>
NET CURRENT ASSETS		<u>6,898,634</u>	<u>7,974,879</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,406,785</u>	<u>24,802,028</u>
CREDITORS: Amounts falling due after more than one year	17	<u>1,299,805</u>	<u>4,083,540</u>
		<u>21,106,980</u>	<u>20,718,488</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	624,745	624,745
Share premium account		26,913	26,913
Revaluation reserve		12,199,134	12,199,134
Other reserves	22	97,584	97,584
Profit and loss account	22	8,158,604	7,770,112
SHAREHOLDERS' FUNDS	23	<u>21,106,980</u>	<u>20,718,488</u>

These financial statements were approved by the directors on the 13/1/03 and are signed on their behalf by:


MR R TAGER Q.C.


MR A E PERELMAN

The notes on pages 11 to 24 form part of these financial statements.

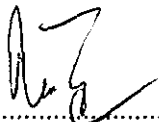
GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

BALANCE SHEET

31 MARCH 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Investments	13	648,756	648,756
CURRENT ASSETS			
Debtors	15	15,360,977	15,360,977
CREDITORS: Amounts falling due within one year	16	<u>15,358,075</u>	<u>15,358,075</u>
NET CURRENT ASSETS		<u>2,902</u>	<u>2,902</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>651,658</u>	<u>651,658</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	624,745	624,745
Share premium account		<u>26,913</u>	<u>26,913</u>
SHAREHOLDERS' FUNDS		<u>651,658</u>	<u>651,658</u>

These financial statements were approved by the directors on the 13/1/03 and are signed on their behalf by:



 MR R TAGER Q.C.



 MR A E PERELMAN

The notes on pages 11 to 24 form part of these financial statements.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP CASH FLOW

YEAR ENDED 31 MARCH 2002

	Note	2002 £	2001 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	26	673,098	749,894
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		132,912	51,281
Interest paid		(352,629)	(351,189)
Interest element of hire purchase		(191)	(190)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(219,908)	(300,098)
TAXATION		(364,759)	(477,203)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(33,563)	(661,266)
Receipts from sale of fixed assets		1,903,242	286,828
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE		1,869,679	(374,438)
EQUITY DIVIDENDS PAID		(475,000)	(864,764)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,483,110	(1,266,609)
FINANCING			
Increase in bank loans		322,938	3,534,908
Capital element of hire purchase		(4,333)	8,665
Net inflow from other long-term creditors		153,810	-
NET CASH INFLOW FROM FINANCING		472,415	3,543,573
INCREASE IN CASH	24	1,955,525	2,276,964

The notes on pages 11 to 24 form part of these financial statements.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the group profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Farm Buildings	5%
Fixtures and Fittings	10% to 30%
Motor Vehicles	25%

Investment properties

Collets Professional Services Surveyors & Valuers revalued the majority of the Group's investment properties in December 1998. The remainder of the Group's investment properties are included in the balance sheet at historical cost, which is not in accordance with Statement of Standard Accounting Practice No.19, which requires such properties to be stated at their open market value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

The directors are of the opinion that under normal trading conditions the stocks held are capable of realising amounts significantly in excess of their book value

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Group Profit and Loss Account on a straight line basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover of the company is represented by its three principal activities, farming activities, wholesale of clothing and related accessories and the rents and charges receivable for properties held for investment purposes, as follows:

	2002 £	2001 £
Rents and charges receivable	1,688,877	1,671,591
Farming activities	47,994	60,270
Clothing and related accessories	1,405,259	1,123,813
Total	<u>3,142,130</u>	<u>2,855,674</u>

3. OTHER OPERATING INCOME

	2002 £	2001 £
Other operating income	<u>50,562</u>	<u>290,000</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation	11,468	16,790
(Profit)/Loss on disposal of fixed assets	(544,875)	4,399
Auditors' remuneration		
- as auditors	39,238	46,469
Net loss/(profit) on foreign currency translation	<u>14,318</u>	<u>(31,867)</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2002	2001
	No.	No.
Number of production staff	12	12
Number of administrative staff	8	8
	<u>20</u>	<u>20</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	788,791	591,718
Social security costs	42,879	63,538
Other pension costs	1,637	1,637
	<u>833,307</u>	<u>656,893</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Emoluments receivable	<u>277,054</u>	<u>180,869</u>

7. PROFIT ON DISPOSAL OF FIXED ASSETS

	2002	2001
	£	£
Profit on disposal of fixed assets	<u>17,274</u>	<u>255,203</u>

8. INTEREST PAYABLE

	2002	2001
	£	£
Interest payable on bank borrowing	352,629	351,189
Finance charges	191	190
	<u>352,820</u>	<u>351,379</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2001 - 30%)	350,360	199,242
Over/under provision in prior year	<u>71,183</u>	<u>(30,323)</u>
Total current tax	<u>421,543</u>	<u>168,919</u>
Tax on profit on ordinary activities	<u>421,543</u>	<u>168,919</u>

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £150,000 (2001 - £250,000).

11. DIVIDENDS

The following dividends have been paid or proposed in respect of the year:

	2002 £	2001 £
Proposed dividend on ordinary shares	325,000	300,000
Dividend paid on ordinary shares	<u>—</u>	<u>140,000</u>
	<u>325,000</u>	<u>440,000</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

12. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 April 2001	16,780,118	189,829	20,397	16,990,344
Additions	28,505	5,058	–	33,563
Disposals	(1,327,603)	(38,671)	(14,550)	(1,380,824)
At 31 March 2002	<u>15,481,020</u>	<u>156,216</u>	<u>5,847</u>	<u>15,643,083</u>
DEPRECIATION				
At 1 April 2001	30,147	114,972	18,076	163,195
Charge for the year	1,869	9,599	–	11,468
On disposals	–	(27,501)	(12,230)	(39,731)
At 31 March 2002	<u>32,016</u>	<u>97,070</u>	<u>5,846</u>	<u>134,932</u>
NET BOOK VALUE				
At 31 March 2002	<u>15,449,004</u>	<u>59,146</u>	<u>1</u>	<u>15,508,151</u>
At 31 March 2001	<u>16,749,971</u>	<u>74,857</u>	<u>2,321</u>	<u>16,827,149</u>

Hire purchase agreements

Included within the net book value of £15,508,151 is £14,620 (2001 - £16,245) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £1,625 (2001 - £1,805).

13. INVESTMENTS

Company	Group companies £
COST:	
At 1 April 2001 and 31 March 2002	<u>648,756</u>
NET BOOK VALUE:	
At 31 March 2002	<u>648,756</u>
At 31 March 2001	<u>648,756</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

13. INVESTMENTS *(continued)*

	Country of incorporation	Holding	Proportion of shares held	Nature of business
Subsidiary undertakings				
Rivergrove Limited	England	Ordinary shares	100%	Property Investment
Springmanor Limited	England	Ordinary shares	100%	Property Investment
Faircastle Limited	England	Ordinary shares	100%	Property Investment
Gayway Properties Limited	England	Ordinary shares	100%	Property Investment

The companies listed below are wholly owned subsidiaries of Gayway Properties Limited

Hatch Farm Dairies Limited	England	Ordinary shares	100%	Farming and Property Investment
Lanbury Limited	England	Ordinary shares	100%	Dormant
Gazelock Limited	England	Ordinary shares	100%	Dormant

The company listed below is a wholly owned subsidiary of Faircastle Limited

Romeo Trading Co. Limited	England	Ordinary shares	100%	Wholesale of clothing and related accessories
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14. STOCKS

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Livestock	4,050	3,995	—	—
Finished goods	4,586,723	4,531,836	—	—
	<u>4,590,773</u>	<u>4,535,831</u>	<u>—</u>	<u>—</u>

The Directors are of the opinion that under normal trading conditions the stocks held are capable of realising amounts significantly in excess of their book value.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

15. DEBTORS

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	555,765	415,331	—	—
Amounts owed by group undertakings	—	—	15,358,055	15,358,055
Other debtors	6,791,593	6,078,943	2,922	2,922
ACT recoverable against future taxation	—	264,000	—	—
Prepayments and accrued income	6,042	—	—	—
	<u>7,353,400</u>	<u>6,758,274</u>	<u>15,360,977</u>	<u>15,360,977</u>

Other debtors "Group" include £6,548,015 (2001: £5,805,480) due from related companies, see Note 20.

Amounts due from Subsidiary Undertakings are subject to contractual obligations and, as such are not necessarily receivable within one year.

16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	3,292,407	2,300,310	—	—
Payments received on account	—	426	—	—
Trade creditors	201,995	165,125	—	—
Amounts owed to group undertakings	—	—	15,354,323	15,354,323
Hire purchase agreements	4,332	4,332	—	—
Dividends payable	—	150,000	—	—
Directors' loan accounts	275,129	64,022	—	—
Other creditors	1,586,722	1,120,452	3,752	3,752
Accruals and deferred income	64,805	202,938	—	—
	<u>5,425,390</u>	<u>4,007,605</u>	<u>15,358,075</u>	<u>15,358,075</u>

Other creditors "Group" include £830,737 (2001: £366,262) due from related companies, see Note 20.

Amounts due from Subsidiary Undertakings are subject to contractual obligations and, as such are not necessarily receivable within one year.

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

16. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	<u>3,292,407</u>	<u>2,300,310</u>	<u>-</u>	<u>-</u>

Three Subsidiary Companies have bank loans which have the following security:

Springmanor Limited has a bank loan which is secured by a first legal charge over a number of investment properties included in the balance sheet at 31 March 2002 at £582,063, together with a personal guarantee by Mr L Traube, a director of this company and of Springmanor Limited, of £25,000. The loan is also secured by a Letter of Postponement of inter company borrowing with a minimum of £2 million due to Greenquest Limited.

Romeo Trading Company Limited has bank loans secured by a fixed legal charge over all of the Company's freehold land and buildings included in the balance sheet at 31 March 2002 at £1,414,873, together with two freehold properties owned by Pidom Export Limited, a company which Mr O Tager a director of this company, is a director. Also the loans are secured by way of an unlimited Joint and Several Guarantee from Mr O Tager and Mr R Tager Q.C., directors of this company and of Romeo Trading Company Limited and supported by the freehold deeds of Mr O Tager's home.

Faircastle Limited has a bank loan which is secured by a first legal charge over a number of investment properties included in the balance sheet at 31 March 2002 at £2,800,006, together with a Memorandum of Deposits over 72 other properties held by the company and a Joint and Several Guarantee from Mr O Tager and Mr R Tager Q.C., directors of this company and of Romeo Trading Company Limited, limited to £ 100,000.

17. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	1,145,995	4,079,207	-	-
Hire purchase agreements	-	4,333	-	-
Other creditors	<u>153,810</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,299,805</u>	<u>4,083,540</u>	<u>-</u>	<u>-</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	<u>1,145,995</u>	<u>1,548,578</u>	<u>-</u>	<u>-</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

17. CREDITORS: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	<u>-</u>	<u>2,530,629</u>	<u>-</u>	<u>-</u>

18. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Amounts payable within 1 year	4,524	4,524	-	-
Amounts payable between 1 and 2 years	<u>-</u>	<u>4,524</u>	<u>-</u>	<u>-</u>
	4,524	9,048	-	-
Less interest and finance charges relating to future periods	<u>(192)</u>	<u>(383)</u>	<u>-</u>	<u>-</u>
	<u>4,332</u>	<u>8,665</u>	<u>-</u>	<u>-</u>

19. CONTINGENCIES

The issue of remuneration of executive and/or non-executive directors of this Company and one of its subsidiary undertakings has yet to be resolved in terms of the quantum and of the recipients of such remuneration for the year under review. No provision has been made in these financial statements for liabilities which may arise in this regard. It is the opinion of the directors however, that such liabilities, when crystallised, will not have a material detrimental effect upon the net assets of the Group.

Faircastle Limited, a subsidiary undertaking, has provided one of its freehold investment properties as part of the security for a mortgage for a related Company, Busyglen Limited. This property is included in the financial statements at its book cost of £610,000

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

20. RELATED PARTY TRANSACTIONS

The company was under no common control throughout the current and previous year.

At the Balance Sheet date, £1,339 was due to Rotherstead Limited, £51,631 was due to Observatory Gardens Estate Office Limited, companies which Messrs M Grosskopf and A E Perelman, directors of this Company, are directors.

Management of certain of the Groups Investment properties was carried out by Pidom Export Limited a company of which Mr O Tager, a director of this Company, is a director. At the balance sheet date £157,531 was due from this company.

Also management was carried out by Visaview Limited a company of which Mr I Traube is a director. Mr I Traube is the son of Mr L Traube a director of this company. Amounts aggregating £7,391 were charged by this company.

At the Balance Sheet date the following amounts were owed to Rivergrove Limited, a subsidiary undertaking where Mr M Grosskopf and Mr A E Perelman directors of this Company, are also directors, the company is related to the companies listed hereunder, owing to some common directors and shareholders. All of the loans listed below are interest free.

	2002 £	2001 £
Tollshunt Limited	10,000	—
Crestpath Estates Limited	259,398	—
Atlas Estates Limited	16,000	—
Lanturn Limited	55,000	—
	<u>340,398</u>	<u>—</u>

At the Balance Sheet date the following amounts were owed to Romeo Trading Company Limited, a subsidiary undertaking where Mr O Tager and Mr R Tager Q.C., directors of this Company, are also directors, the company is related to the companies listed hereunder, owing to some common directors and shareholders. All of the loans listed below are interest free.

	2002	2001
Busyglen Limited	129,000	57,000
Goodacre Limited	59,500	20,000
Solev Co. Limited	45,500	91,900
Perma Limited	—	29,000
Newraven Estates Limited	30,000	50,000
Hatzlocho Limited	65,000	65,000
Cobles Limited	41,042	—
Follswick Limited	1,000	—

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

20. RELATED PARTY TRANSACTIONS *(continued)*

<u>371,042</u>	<u>312,900</u>
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During the year the Romeo Trading Company Limited provided goods to and received goods from L Cohen (Clothing) Limited (t/a Cobles), on commercial terms, resulting in a net aggregate charge of £Nil (2001 : £19,117) by this Company. Additionally, Romeo Trading Company Limited received services during the year, on commercial terms, from Pidom Export totalling £Nil (2001 : £60,000).

At the Balance Sheet date the following amounts were owed by Romeo Trading Company Limited. All of the loans listed below are interest free.

	2002	2001
Pidom Export Limited	269,475	117,000
Barnford Industries Limited	30,000	25,000
Spillington Limited	308,000	70,000
Luxury Estates Limited	50,000	50,000
Leverwin Limited	105,000	35,000
Oaklawn Limited	25,000	—
	<u>787,475</u>	<u>297,000</u>

At the Balance Sheet date the following amounts were owed to Faircastle Limited, a subsidiary undertaking where Mr O Tager and Mr R Tager Q.C., directors of this Company, are also directors, the company is related to the companies listed hereunder, owing to some common directors and shareholders. All of the loans listed below are interest free.

	2002	2001
Spillington Limited	1,512,057	1,464,663
Pidom Export Limited	890,531	847,463
Solev Co. Limited	101,937	101,937
Perma Limited	562,000	535,000
Oaklawn Limited	566,494	608,494
Busyglen Limited	580,836	529,026
Roughlea Properties Limited	160,000	130,000
Barnford Industries Limited	216,000	242,000
Leverwin Limited	215,868	200,868
Goodacre Limited	321,513	356,513
Millwest Estates Limited	—	26,500
	<u>5,127,236</u>	<u>5,042,464</u>

During the year Faircastle Limited received services on commercial terms totalling £Nil (2001 : £24,499 from Pidom Export Limited)

During the year Faircastle Limited provided finance to Spillington Limited for which it charged interest of £Nil (2001 : 103,873) based on the same commercial rate of interest

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

20. RELATED PARTY TRANSACTIONS *(continued)*

as charged by its bankers.

Faircastle Limited has provided security for a mortgage for a related Company, Busyglen Limited as set out in Note 20.

At the Balance Sheet date the following amounts were owed by Faircastle Limited. All of the loans listed below are interest free.

	2002	2001
Hatzlocho Limited	15,696	15,696
Hexgold Limited	27,566	53,566
	<u>43,262</u>	<u>69,262</u>

Included in other debtors is a loan to Oakland Assets Company Limited, a company of which Mr L Traube, a director of this company, is also a director. At the balance sheet date the amount outstanding was £400,116 (2001: £450,116).

21. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
567,950 Ordinary £1 shares of £1.00 each	567,950.00	567,950.00
283,975 Ordinary A 10p shares of £0.10 each	28,397.50	28,397.50
195,108 Ordinary B 10p shares of £0.10 each	19,510.80	19,510.80
88,867 Ordinary C 10p shares of £0.10 each	8,886.70	8,886.70
	<u>624,745.00</u>	<u>624,745.00</u>

Allotted, called up and fully paid:

	2002		2001	
	No.	£	No.	£
Ordinary £1 shares	567,950.00	567,950.00	567,950.00	567,950.00
Ordinary A 10p shares	283,975.00	28,397.50	283,975.00	28,397.50
Ordinary B 10p shares	195,108.00	19,510.80	195,108.00	19,510.80
Ordinary C 10p shares	88,867.00	8,886.70	88,867.00	8,886.70
	<u>1,135,900.00</u>	<u>624,745.00</u>	<u>1,135,900.00</u>	<u>624,745.00</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

22. RESERVES

Group	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	26,913	12,199,134	97,584	7,838,604
Retained profit for the year	—	—	—	371,508
Dividends	—	—	—	(440,000)
Balance brought forward	26,913	12,199,134	97,584	7,770,112
Retained profit for the year	—	—	—	713,492
Dividends	—	—	—	(325,000)
Balance carried forward	<u>26,913</u>	<u>12,199,134</u>	<u>97,584</u>	<u>8,158,604</u>

Company	Share premium account £	Profit and loss account £
Balance brought forward	26,913	—
Retained profit for the year	—	250,000
Dividends	—	(250,000)
Balance brought forward	26,913	—
Retained profit for the year	—	150,000
Dividends	—	(150,000)
Balance carried forward	<u>26,913</u>	<u>—</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	713,492	371,508
Dividends	(325,000)	(440,000)
	<u>388,492</u>	<u>(68,492)</u>
Opening shareholders' equity funds	20,718,488	20,786,980
Closing shareholders' equity funds	<u>21,106,980</u>	<u>20,718,488</u>

26. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	1,337,669	585,322
Depreciation	11,468	16,790
(Profit)/Loss on disposal of fixed assets	(544,875)	4,399
Increase in stocks	(54,942)	(91,862)
(Increase)/Decrease in debtors	(859,126)	158,147
Increase in creditors	782,904	77,098
Net cash inflow from operating activities	<u>673,098</u>	<u>749,894</u>

GREENQUEST LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

24. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002	2001
	£	£
Increase in cash in the period	1,955,525	2,276,964
Net cash (inflow) from bank loans	(322,938)	(3,534,908)
Cash outflow in respect of hire purchase	4,333	(8,665)
Net cash (inflow) from other long-term creditors	<u>(153,810)</u>	<u>—</u>
	1,483,110	(1,266,609)
Change in net debt	1,483,110	(1,266,609)
Net debt at 1 April 2001	<u>(5,699,803)</u>	<u>(4,433,190)</u>
Net debt at 31 March 2002	<u>(4,216,693)</u>	<u>(5,699,803)</u>

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2001 £	Cash flows £	At 31 Mar 2002 £
Net cash:			
Cash in hand and at bank	688,379	(308,528)	379,851
Overdrafts	<u>(2,300,310)</u>	<u>2,264,053</u>	<u>(36,257)</u>
	<u>(1,611,931)</u>	<u>1,955,525</u>	<u>343,594</u>
Debt:			
Debt due within 1 year	—	(3,256,150)	(3,256,150)
Debt due after 1 year	<u>(4,079,207)</u>	<u>2,779,402</u>	<u>(1,299,805)</u>
Hire purchase agreements	<u>(8,665)</u>	<u>4,333</u>	<u>(4,332)</u>
	<u>(4,087,872)</u>	<u>(472,415)</u>	<u>(4,560,287)</u>
Net debt	<u>(5,699,803)</u>	<u>1,483,110</u>	<u>(4,216,693)</u>