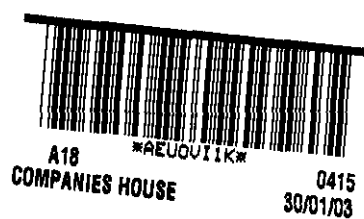


66/16

**STARTMEAD LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2002**

Company Registration Number 1514421



STARTMEAD LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2002

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2
Profit and loss account	3
Statement of total recognised gains and losses	4
Balance sheet	5
Notes to the financial statements	6 to 8
The following pages do not form part of the financial statements	
Accountants' report to the directors	10
Detailed profit and loss account	11

STARTMEAD LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

V G C O'Donoghue
M H O'Donoghue

COMPANY SECRETARY

M H O'Donoghue

REGISTERED OFFICE

Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

ACCOUNTANTS

Menzies
Chartered Accountants
Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

BANKERS

Barclays Bank Plc
14 High Street
Uppingham
Rutland
Leicestershire
LE15 9QD

STARTMEAD LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2002

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was providing residential accommodation.

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 £1 each	
	At 31 March 2002	At 1 April 2001
V G C O'Donoghue	10	10
M H O'Donoghue	10	10

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:
Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

Signed by order of the directors



M H O'Donoghue
Company Secretary

Approved by the directors on 28/1/03

STARTMEAD LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2002

	Note	2002 £	2001 £
TURNOVER		64,957	70,119
Cost of sales		14,122	21,710
GROSS PROFIT		50,835	48,409
Administrative expenses		10,425	8,452
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		40,410	39,957
Tax on profit on ordinary activities		6,552	6,356
RETAINED PROFIT FOR THE FINANCIAL YEAR		33,858	33,601

The notes on pages 6 to 8 form part of these financial statements.

STARTMEAD LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 31 MARCH 2002**

	2002	2001
	£	£
Profit for the financial year attributable to the shareholders	33,858	33,601
Unrealised profit on revaluation of certain fixed assets	60,000	—
Unrealised profit on revaluation of tangible fixed assets:		
Less provision for deferred tax on revaluation	(45,500)	—
Total gains and losses recognised since the last annual report	<u>48,358</u>	<u>33,601</u>

The notes on pages 6 to 8 form part of these financial statements.

STARTMEAD LIMITED

BALANCE SHEET

31 MARCH 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	3	1,366,299	1,307,042
CREDITORS: Amounts falling due within one year	4	729,629	764,230
TOTAL ASSETS LESS CURRENT LIABILITIES		636,670	542,812
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	5	45,500	—
		<u>591,170</u>	<u>542,812</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	100	100
Revaluation reserve	8	965,453	950,953
Other reserves		83,743	83,743
Profit and Loss Account	9	(458,126)	(491,984)
SHAREHOLDERS' FUNDS		<u>591,170</u>	<u>542,812</u>

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 accounts 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 accounts 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 March 2000).

These financial statements were approved by the directors on the 28/1/03 and are signed on their behalf by:

.....
V G C O'Donoghue

V.G. O'Donoghue

.....
M H O'Donoghue

M.H. O'Donoghue

The notes on pages 6 to 8 form part of these financial statements.

STARTMEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

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:

Fixtures & Fittings	- 10% Reducing balance
Computer equipment	- 25% Reducing balance

Depreciation is not provided in respect of the freehold investment properties.

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 PROFIT

Operating profit is stated after charging:

	2002 £	2001 £
Directors' emoluments	—	—
Depreciation	743	840

3. TANGIBLE FIXED ASSETS

	Land and buildings £	Other plant & machinery etc. £	Total £
COST OR VALUATION			
At 1 April 2001	1,300,000	29,866	1,329,866
Revaluation	60,000	—	60,000
At 31 March 2002	1,360,000	29,866	1,389,866
DEPRECIATION			
At 1 April 2001	—	22,824	22,824
Charge for the year	—	743	743
At 31 March 2002	—	23,567	23,567
NET BOOK VALUE			
At 31 March 2002	1,360,000	6,299	1,366,299
At 31 March 2001	1,300,000	7,042	1,307,042

STARTMEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

3. TANGIBLE FIXED ASSETS *(continued)*

Included in land and buildings are freehold investment properties with an historical cost and net book value of £349,047.

The directors consider that the market value of the investment properties is approximately £1,360,000, including an uplift in valuation following the sale of one of the properties after 31 March 2002. Should all the company's properties be sold at their estimated market value, a corporation tax liability of approximately £200,000 would crystallise. Provision has been made for the estimated liability arising on the property sold since 31 March 2002, though not for the other property as there is currently no intention of selling it.

4. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	8,374	9,437
Corporation tax	6,552	6,356
Other creditors	714,703	748,437
	<u>729,629</u>	<u>764,230</u>

5. DEFERRED TAXATION

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

	2002 £	2001 £
Deferred tax provided for on revaluation	45,500	—
	<u>45,500</u>	<u>—</u>

6. RELATED PARTY TRANSACTIONS

During the year the company incurred management fees in respect of one property, charged by Ms. E. O'Donoghue, a shareholder of the company and the daughter of the directors, for £2,900 (2001 - £2,954).

Included in other creditors in note 4 is £705,884 (2001 - £742,367) due to Mr V. G. C. O'Donoghue, a director and shareholder of the company.

7. SHARE CAPITAL

Authorised share capital:

	2002 £	2001 £
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	2002 £	2001 £
Ordinary share capital	<u>100</u>	<u>100</u>

STARTMEAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2002****8. REVALUATION RESERVE**

	2002 £	2001 £
Balance brought forward	950,953	950,953
Revaluation of fixed assets	60,000	—
Deferred tax provided for on revaluation	(45,500)	—
Balance carried forward	<u>965,453</u>	<u>950,953</u>

9. PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Balance brought forward	(491,984)	(525,585)
Retained profit for the financial year	33,858	33,601
Balance carried forward	<u>(458,126)</u>	<u>(491,984)</u>