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Solent Projects Limited

Report of the Directors and

Financial Statements

For The Year Ended 28 February 2003



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Solent Projects Limited

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For The Year Ended 28 February 2003**

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Solent Projects Limited

Company Information
For The Year Ended 28 February 2003

DIRECTORS: P G Lister
S H Tizzard

SECRETARY: S H Tizzard

REGISTERED OFFICE: C/O Sedge End
Saltgrass Lane
Keyhaven
Lymington
Hampshire
SO41 0TQ

REGISTERED NUMBER: 1867006

AUDITORS: Willis Parsons
Registered Auditors
The George Business Centre
Christchurch Road
New Milton, Hants
BH25 6QJ

Solent Projects Limited

Report of the Directors For The Year Ended 28 February 2003

The directors present their report with the financial statements of the company for the year ended 28 February 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property dealing and letting and the chartering, hiring and retailing of motor vehicles.

DIRECTORS

The directors during the year under review were:

P G Lister
S H Tizzard

The beneficial interests of the directors holding office on 28 February 2003 in the issued share capital of the company were as follows:

	28.2.03	1.3.02
Ordinary £1 shares		
P G Lister	50	50
S H Tizzard	50	50

STATEMENT OF 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.

AUDITORS

The auditors, Willis Parsons, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Solent Projects Limited

**Report of the Directors
For The Year Ended 28 February 2003**

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:



.....
S H Tizzard - SECRETARY

Dated: 1 Dec 2003

Solent Projects Limited

Report of the Independent Auditors to the Shareholders of Solent Projects Limited

We have audited the financial statements of Solent Projects Limited for the year ended 28 February 2003 on pages six to thirteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 auditors' 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 directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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.

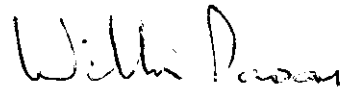
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Solent Projects Limited

**Report of the Independent Auditors to the Shareholders of
Solent Projects Limited**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Willis Parsons
Registered Auditors
The George Business Centre
Christchurch Road
New Milton, Hants
BH25 6QJ

Dated: 3rd December 2003

Solent Projects Limited
Profit and Loss Account
For The Year Ended 28 February 2003

		<u>2003</u>	<u>2002</u>
	Notes	£	£
TURNOVER		430,584	150,053
Cost of sales		<u>427,210</u>	<u>139,305</u>
GROSS PROFIT		3,374	10,748
Administrative expenses		<u>(74,975)</u>	<u>16,260</u>
		78,349	(5,512)
Other operating income		<u>104,062</u>	<u>111,848</u>
OPERATING PROFIT	2	182,411	106,336
Interest payable and similar charges		<u>36,172</u>	<u>44,690</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		146,239	61,646
Tax on profit on ordinary activities	3	<u>25,183</u>	<u>9,662</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		121,056	51,984
Dividends	4	<u>59,457</u>	<u>75,851</u>
		61,599	(23,867)
Retained profit brought forward		<u>491,153</u>	<u>515,020</u>
RETAINED PROFIT CARRIED FORWARD		<u>£552,752</u>	<u>£491,153</u>

The notes form part of these financial statements

Solent Projects Limited

Balance Sheet
28 February 2003

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		1,001,070		1,111,783
Investments	6		45,000		45,000
			<u>1,046,070</u>		<u>1,156,783</u>
CURRENT ASSETS:					
Stocks		12,894		224,580	
Debtors	7	381,652		78,379	
		<u>394,546</u>		<u>302,959</u>	
CREDITORS: Amounts falling due within one year	8	269,695		350,442	
NET CURRENT ASSETS/(LIABILITIES):			<u>124,851</u>		<u>(47,483)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,170,921		1,109,300
CREDITORS: Amounts falling due after more than one year	9		(617,000)		(617,000)
PROVISIONS FOR LIABILITIES AND CHARGES:	10		(1,069)		(1,047)
			<u>£552,852</u>		<u>£491,253</u>
CAPITAL AND RESERVES:					
Called up share capital	11		100		100
Profit and loss account			552,752		491,153
SHAREHOLDERS' FUNDS:			<u>£552,852</u>		<u>£491,253</u>

The notes form part of these financial statements

Solent Projects Limited

**Balance Sheet
28 February 2003**

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 (effective June 2002).

ON BEHALF OF THE BOARD:



.....
P G Lister - DIRECTOR

Approved by the Board on 1 Dec 2003

The notes form part of these financial statements

Solent Projects Limited

Notes to the Financial Statements For The Year Ended 28 February 2003

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 rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

No depreciation is provided on freehold buildings. The company follows a programme of regular refurbishment and maintenance of its property, which includes the reinstatement of the fabric of the buildings, where necessary, in order to maintain it to a high standard. Accordingly in the opinion of the directors any element of depreciation would be immaterial and no provision has been made.

Stocks

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

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 PROFIT

The operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation - owned assets	2,970	1,669
Profit on disposal of fixed assets	(120,799)	(36,537)
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

Solent Projects Limited

Notes to the Financial Statements For The Year Ended 28 February 2003

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
UK corporation tax	25,161	13,121
Underprovision in earlier year	-	20
	<u>25,161</u>	<u>13,141</u>
Total current tax	<u>25,161</u>	<u>13,141</u>
Deferred tax:		
Deferred taxation	22	(3,479)
Tax on profit on ordinary activities	<u>25,183</u>	<u>9,662</u>

4. DIVIDENDS

	2003 £	2002 £
Dividends	<u>59,457</u>	<u>75,851</u>

Solent Projects Limited

**Notes to the Financial Statements
For The Year Ended 28 February 2003**

5. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 March 2002	1,103,244	27,241	11,292	1,141,777
Additions	21,635	-	6,345	27,980
Disposals	(135,723)	-	-	(135,723)
At 28 February 2003	<u>989,156</u>	<u>27,241</u>	<u>17,637</u>	<u>1,034,034</u>
DEPRECIATION:				
At 1 March 2002	-	19,733	10,261	29,994
Charge for year	-	1,126	1,844	2,970
At 28 February 2003	<u>-</u>	<u>20,859</u>	<u>12,105</u>	<u>32,964</u>
NET BOOK VALUE:				
At 28 February 2003	<u>989,156</u>	<u>6,382</u>	<u>5,532</u>	<u>1,001,070</u>
At 28 February 2002	<u>1,103,244</u>	<u>7,508</u>	<u>1,031</u>	<u>1,111,783</u>

6. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	2003	2002
	£	£
Investment in Mitchells EA	<u>45,000</u>	<u>45,000</u>

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

	2003	2002
	£	£
V.A.T.	7,786	2,941
Other debtors	<u>373,866</u>	<u>75,438</u>
	<u>381,652</u>	<u>78,379</u>

Solent Projects Limited

Notes to the Financial Statements For The Year Ended 28 February 2003

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank loans and overdrafts	187,024	294,951
Trade creditors	30,362	11,826
Other creditors	25,243	29,087
Social security & other taxes	1,905	1,457
Taxation	25,161	13,121
	<u>269,695</u>	<u>350,442</u>

All bank borrowing is secured.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
	£	£
Term loan	<u>617,000</u>	<u>617,000</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred taxation	<u>1,069</u>	<u>1,047</u>

	Deferred tax £
Balance at 1 March 2002	1,047
Profit and Loss Account	22
Balance at 28 February 2003	<u>1,069</u>

11. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003	2002
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

Solent Projects Limited

Notes to the Financial Statements For The Year Ended 28 February 2003

12. RELATED PARTY DISCLOSURES

P G Lister is a director and shareholder of Solent Projects (Southern) Limited and S H Tizzard is a director and shareholder of Bisterne Developments Limited.

During the year the Company sold 2 plots of land to each of Solent Projects (Southern) Limited and Bisterne Developments Limited for a market value of £45,000 per plot. The company undertook development work on these plots at a direct cost of £158,350. Turnover for the year includes amounts of £86,775 from each of Solent Projects (Southern) Limited and Bisterne Developments Limited for this work.

Included in other debtors are amounts of £148,666 (2002 - £20,500) and £153,166 (2002 - nil) due from Solent Projects (Southern) Limited and Bisterne Developments Limited respectively.

The Company receives a market rent from Mitchells Estate Agency, the directors and the Company are partners in this business. The Company received a share of the profit, in line with the partnership agreement, of £9,457 (2002 - £10,451).

Solent Projects Limited

**Trading and Profit and Loss Account
For The Year Ended 28 February 2003**

	2003		2002	
	£	£	£	£
Sales		430,584		150,053
Cost of sales:				
Opening stock	224,580		155,731	
Building costs and fees	191,223		185,696	
Motor expenses	14,827		13,426	
Vehicle leasing	9,474		9,032	
	<u>440,104</u>		<u>363,885</u>	
Closing stock	(12,894)		(224,580)	
		<u>427,210</u>		<u>139,305</u>
GROSS PROFIT		3,374		10,748
(0.78% 2002 : 7.16%)				
Other income:				
Rental income	120,587		135,639	
Rental property expenses	(25,982)		(34,242)	
Share of Mitchells profit	9,457		10,451	
	<u></u>	<u>104,062</u>	<u></u>	<u>111,848</u>
		107,436		122,596
Expenditure:				
Telephone	1,652		1,656	
Printing, post and stationery	1,229		970	
Insurance	3,079		2,007	
Repairs and renewals	1,430		2,609	
Heat, light and rates	201		129	
Sundry and entertainment	3,234		8,024	
Accountancy	2,200		2,850	
Book-keeping	1,752		2,000	
Management fees	16,000		15,000	
Legal fees	350		1,823	
	<u></u>	<u>31,127</u>	<u></u>	<u>37,068</u>
Carried forward		76,309		85,528

This page does not form part of the statutory financial statements

Solent Projects Limited

**Trading and Profit and Loss Account
For The Year Ended 28 February 2003**

	2003		2002	
	£	£	£	£
Brought forward		76,309		85,528
Finance costs:				
Bank loan interest	36,149		44,490	
Interest on corporation tax	23		200	
Bank charges and interest	11,727		14,060	
		47,899		58,750
		28,410		26,778
Depreciation:				
Plant and machinery	1,126		1,325	
Motor vehicles	1,844		344	
		2,970		1,669
		25,440		25,109
Profit on disposal of fixed assets:				
Freehold property	120,799		35,213	
Motor vehicles	-		1,324	
		120,799		36,537
NET PROFIT		£146,239		£61,646

This page does not form part of the statutory financial statements