

**CASTLEOAK CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2002**

Company Registration Number 2196821



PEACHEYS

Chartered Accountants & Registered Auditors
22 Chepstow Road
NEWPORT
South Wales
NP19 8EA

CASTLEOAK CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

CONTENTS	PAGES
The directors' report	1 to 2
Chairmans' report	2a to 2b
Independent auditors' report to the shareholders	3
Profit and loss account	4
Reconciliation of movements in shareholders' funds	5
Balance sheet	6
Notes to the financial statements	7 to 15
The following pages do not form part of the financial statements	
Detailed profit and loss account	17
Notes to the detailed profit and loss account	18 to 19

CASTLEOAK CONSTRUCTION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2002

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of building contractors.

The chairman has provided his review of the year on pages 2a and 2b.

RESULTS AND DIVIDENDS

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

The directors have not recommended a dividend.

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	At
	31 March 2002	1 April 2001
M W Knight	—	—
C R Knight	—	—
M R Knight	—	—
S D J Greenstreet	—	—
E F March	—	—
	<u>—</u>	<u>—</u>

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 at the end of the year and of the 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 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

CASTLEOAK CONSTRUCTION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2002

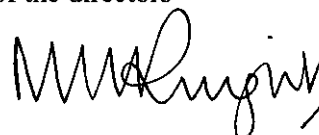
AUDITORS

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

Registered office:

Signed on behalf of the directors

M W Knight
Director



Approved by the directors on ...6 August 2002

Castleoak Construction Limited

Chairman's Report

YEAR ENDING 31 MARCH 2002

I am pleased to present the Company's results for the year ending 31 March 2002.

The year was another very successful year for the company, building on the achievements of the previous year:

Sales:	£12.303m	up 28% on the previous year*
Gross Profit Margin: <i>% of Sales</i>	14.0%	compared with 12.8% for the previous year*
Net Profit before Tax:	£ 0.246m	up 203% on the previous year*
Net Profit before Tax <i>% of Sales</i>	2.0%	compared with 0.85% for the previous year*
<i>*adjusted for previous 18 month period</i>		

The reported net profit before tax is after the deduction of £ 70,000 which has been paid under the Company Employee Profit Participation Scheme, which rewards all salaried employees as a percentage of their salary. The percentage varies under the terms of the Scheme, depending upon the band of net profit achieved by the Company.

No dividend has been declared for the year, and therefore, after tax £ 178,686 has been added to the Company's balance sheet during the period.

Current trading

The Company is trading profitably with high levels of work in progress, orders and prospects. We continue to specialise in the design and build of care homes and are recognised as a UK market leader in this area of work. Our reputation for high quality projects delivered on time and within budget, coupled with our unrivalled expertise in the sector is providing a steady flow of new projects and clients.

We continue to work mainly for housing associations and charitable trusts that are either reproviding their own properties, contracting with local authorities to reprovide their care home stock or developing new care homes.

Castleoak Construction Limited

Chairman's Report - continued

YEAR ENDING 31 MARCH 2002

The drive to reprovide existing care home stock arises from the Care Standards Act 2000. This introduces new physical standards for care homes, which have to be complied with in existing homes by 2007. The extent of remodeling and refurbishment in many homes means that redevelopment is the only viable option.

In three cases we are partnering with clients to work on long-term programmes. We have recently commenced a third project for Anchor Trust as part of their Surrey care home reprovisioning programme. In addition we are working on the second of three projects for Central and Cecil Housing Trust on their London Borough of Merton reprovisioning programme. A third partnership is in place with the Orders of St John Care Trust for their substantial care home redevelopment programme in Oxfordshire, Lincolnshire and Wiltshire. The first project has just commenced at Wallingford, South Oxfordshire.

We are also currently designing and constructing new care home in Trowbridge for Barchester Healthcare and Bromley for Mission Care.

In addition we have been appointed by several clients to undertake design, planning and feasibility work, prior to the award of design and build contracts. Several of these clients also have multi-project programmes.

The increasing change in emphasis to partnering arrangements and becoming involved at the feasibility and planning stage means that our workload is more controlled and predictable. In addition, we are able to design in efficiencies to the benefit of our clients and ourselves.

We have a very strong order book, projected for several years, with a high degree of continuity.

The ongoing success of the Company is due to the hard work and commitment of our staff, suppliers, sub-contractors and consultants to whom I would express sincere thanks on behalf of the Board.

Acquisition

The Company has acquired a major interest in Chessmann Consulting Limited, a Chartered Quantity Surveying practice, based in Cardiff. Chessmann also specializes in Healthcare projects and works jointly with Castleoak in situations where clients require consultancy and project management expertise on smaller extension and refurbishment projects. Chessmann acts for a number of independent clients in a variety of sectors, and acts as monitoring surveyor for several UK banks providing finance for development projects.

Castleoak Construction Limited

Chairman's Report - continued

YEAR ENDING 31 MARCH 2002

Subsidiaries

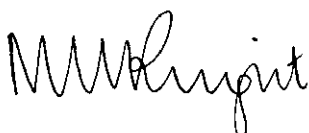
Tixover Developments Limited has completed the 11-unit close care development in Rutland. The last bungalow has been sold, subject to contract. The company is seeking similar development opportunities and in the meantime is dormant.

Duryard Care Limited has sold its care home property in Exeter and has no other assets or operations. Castleoak will be disposing of its 50% interest in the company to the remaining shareholder.

Office Acquisition and Move

The Company has recently acquired a new head office building at Cardiff Gate Business Park, Cardiff. Cardiff Gate is just off junction 30 of the M4 and is one of the region's leading business parks.

The company will be moving into the new building in September 2002. It will provide a much more efficient working environment than our current rented offices in Newport, together with a high quality asset forming part of our balance sheet.



Melville W Knight MA (Cantab)
Chairman

August 2002.



CASTLEOAK CONSTRUCTION LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MARCH 2002

We have audited the financial statements on pages 4 to 15 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 7 to 8.

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 1.

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. 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.

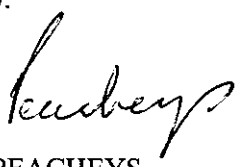
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 March 2002 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

22 Chepstow Road
 NEWPORT
 South Wales
 NP19 8EA

7/8/02


 PEACHEYS
 Chartered Accountants
 & Registered Auditors

CASTLEOAK CONSTRUCTION LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2002

	Note	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
TURNOVER	2	12,303,467	14,413,598
Cost of sales		<u>10,581,860</u>	<u>12,571,094</u>
GROSS PROFIT		1,721,607	1,842,504
Administrative expenses		1,585,410	1,773,284
Other operating income	3	<u>(27,000)</u>	<u>(21,964)</u>
OPERATING PROFIT	4	163,197	91,184
Income from shares in group undertakings	7	—	30,000
Income from participating interests	8	70,000	—
Interest receivable		22,398	17,388
Interest payable	9	<u>(9,244)</u>	<u>(16,197)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		246,351	122,375
Tax on profit on ordinary activities	10	<u>67,665</u>	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		178,686	122,375
Dividends	11	—	30,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		178,686	92,375
Balance brought forward		<u>312,134</u>	<u>219,759</u>
Balance carried forward		<u>490,820</u>	<u>312,134</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.

CASTLEOAK CONSTRUCTION LIMITED

YEAR ENDED 31 MARCH 2002

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year to 31 Mar 02	Period from 1 Oct 99 to 31 Mar 01
	£	£
Profit for the financial year	178,686	122,375
Dividends	—	(30,000)
	<u>178,686</u>	<u>92,375</u>
Opening shareholders' equity funds	314,182	221,807
Closing shareholders' equity funds	<u>492,868</u>	<u>314,182</u>

CASTLEOAK CONSTRUCTION LIMITED

BALANCE SHEET

YEAR ENDED 31 MARCH 2002

	Note	£	2002 £	£	2001 £
FIXED ASSETS					
Intangible assets	12		—		34,760
Tangible assets	13		95,102		154,076
Investments	14		172,018		67,018
			<u>267,120</u>		<u>255,854</u>
CURRENT ASSETS					
Stocks	16	109,593		91,945	
Debtors	17	1,755,575		1,835,836	
Cash at bank and in hand		1,342,981		224,735	
		<u>3,208,149</u>		<u>2,152,516</u>	
CREDITORS: Amounts falling due within one year	18	<u>2,969,236</u>		<u>2,046,715</u>	
NET CURRENT ASSETS			<u>238,913</u>		105,801
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>506,033</u>		<u>361,655</u>
CREDITORS: Amounts falling due after more than one year	19		<u>13,165</u>		<u>47,473</u>
			<u>492,868</u>		<u>314,182</u>
CAPITAL AND RESERVES					
Called-up equity share capital	23		150,050		50
Revaluation reserve			1,998		1,998
Profit and Loss Account			340,820		312,134
SHAREHOLDERS' FUNDS			<u>492,868</u>		<u>314,182</u>

These financial statements were approved by the directors on the 6 August '02 and are signed on their behalf by:



M W KNIGHT

CASTLEOAK CONSTRUCTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****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.

Cash flow statement

Under Financial Reporting Standard No. 1 (revised) the company is exempt from the requirement to produce a cash flow statement as the ultimate parent undertaking, Castleoak Holdings Limited, includes the company in its own published consolidated financial statements.

Turnover

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

Amortisation

Amortisation 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:

Development expenditure - 3 years

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:

Plant & Machinery	-	25%
Fixtures & Fittings	-	25%
Motor Vehicles	-	30%

Work in progress

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in, first out basis. The cost of work in progress is calculated to give the appropriate contract profit, which is apportioned on a time basis over the length of the contract.

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 Profit and Loss Account on a straight line basis.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

CASTLEOAK CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2002

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Investment income

Investment income comprises dividends and interest and is accounted for on a receivable basis.

Investments

Investments are included at market value. Any gains or losses arising from valuations of fixed asset investments are transferred to the revaluation reserve.

Consolidation

The financial statements contain information about Castleoak Construction Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken advantage of the fact that its results are included in the consolidated financial statements prepared for its parent company, Castleoak Holdings Limited.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year to	Period from
	31 Mar 02	1 Oct 99 to
	£	31 Mar 01
	£	£
United Kingdom	<u>12,303,467</u>	<u>14,413,598</u>

3. OTHER OPERATING INCOME

	Year to	Period from
	31 Mar 02	1 Oct 99 to
	£	31 Mar 01
	£	£
Management charges receivable	<u>27,000</u>	<u>21,964</u>

CASTLEOAK CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2002

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
Amortisation	34,760	21,964
Depreciation	52,712	92,507
Loss/(profit) on disposal of fixed assets	7,993	(18,702)
Auditors' remuneration		
- as auditors	4,000	-
Operating lease costs:		
Plant and equipment	<u>10,054</u>	<u>7,513</u>

5. PARTICULARS OF EMPLOYEES

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

	Year to 31 Mar 02 No.	Period from 1 Oct 99 to 31 Mar 01 No.
Number of production staff	32	38
Number of administrative staff	4	4
Number of management staff	6	6
	<u>42</u>	<u>48</u>

The aggregate payroll costs of the above were:

	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
Wages and salaries	940,201	1,281,434
Social security costs	83,528	153,790
Other pension costs	18,080	34,380
Other pension costs	4,979	5,241
	<u>1,046,788</u>	<u>1,474,845</u>

CASTLEOAK CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2002

6. DIRECTORS' EMOLUMENTS

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

	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
Emoluments receivable	<u>187,634</u>	<u>207,500</u>

Emoluments of highest paid director:

	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
Total emoluments (excluding pension contributions):	<u>53,565</u>	<u>65,115</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	Year to 31 Mar 02 No.	Period from 1 Oct 99 to 31 Mar 01 No.
Money purchase schemes	<u>2</u>	<u>2</u>

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
Income from group undertakings	<u>—</u>	<u>30,000</u>

8. INCOME FROM PARTICIPATING INTERESTS

	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
Income from participating interests	<u>70,000</u>	<u>—</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2002

9. INTEREST PAYABLE

	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
Finance charges	9,244	1,883
Other similar charges payable	—	14,314
	<u>9,244</u>	<u>16,197</u>

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation

	Year to 31 Mar 02 £	Period from 1 Oct 99 to 31 Mar 01 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2001 - 30%)	67,665	—
Total current tax	<u>67,665</u>	—
Tax on profit on ordinary activities	<u>67,665</u>	—

11. DIVIDENDS

No dividend has been recommended for the year ended 31 March 2002.

12. INTANGIBLE FIXED ASSETS

Development expenditure

	£
COST	
At 1 April 2001	56,724
Fully written off	(56,724)
At 31 March 2002	<u>—</u>
AMORTISATION	
At 1 April 2001	21,964
Charge for the year	14,181
Fully written off	(36,145)
At 31 March 2002	<u>—</u>
NET BOOK VALUE	
At 31 March 2002	<u>—</u>
At 31 March 2001	<u>34,760</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2002

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 2001	82,993	62,485	163,337	90,131	398,946
Additions	—	1,580	40,113	35,038	76,731
Disposals	(82,993)	—	—	—	(82,993)
At 31 March 2002	<u>—</u>	<u>64,065</u>	<u>203,450</u>	<u>125,169</u>	<u>392,684</u>
DEPRECIATION					
At 1 April 2001	—	48,924	131,044	64,902	244,870
Charge for the year	—	8,032	20,651	24,029	52,712
At 31 March 2002	<u>—</u>	<u>56,956</u>	<u>151,695</u>	<u>88,931</u>	<u>297,582</u>
NET BOOK VALUE					
At 31 March 2002	<u>—</u>	<u>7,109</u>	<u>51,755</u>	<u>36,238</u>	<u>95,102</u>
At 31 March 2001	<u>82,993</u>	<u>13,561</u>	<u>32,293</u>	<u>25,229</u>	<u>154,076</u>

Hire purchase agreements

Included within the net book value of £95,102 is £36,592 (2001 - £27,840) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £19,788 (2001 - £55,713).

14. INVESTMENTS

Other investments other than loans

	£
COST:	
At 1 April 2001	67,018
Additions	105,000
At 31 March 2002	<u>172,018</u>
NET BOOK VALUE:	
At 31 March 2002	<u>172,018</u>
At 31 March 2001	<u>67,018</u>

During the period the company invested £65,000 for a 77.5% holding in Chessman Consulting Limited, a company incorporated in England and Wales. The company also invested £40,000 for a 100% holding of the Preference shares issued, in the same company.

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2002

15. SHARES IN GROUP UNDERTAKINGS

The companies subsidiaries, all incorporated in UK, are as follows:

1) Tixover Developments Limited: Ordinary £1 shares : 100% holding: property developers

(Profit for the year £1,943; Net assets £2,501)

2) Chessman Consulting Limited: Ordinary £1 shares : 77.5% holding: quantity surveyors

(Profit for the year £23,900; Net assets £49,456)

3) Duryard Care Limited: Ordinary: £1 shares: 50% holding: residential home

(Profit for the year to 30 September 2000 £2,706; Net assets £102,059)

16. STOCKS

	2002	2001
	£	£
Work in progress	<u>109,593</u>	<u>91,945</u>

17. DEBTORS

	2002	2001
	£	£
Trade debtors	1,139,682	898,036
Other debtors	559,039	882,932
Directors current accounts	35,524	35,524
Prepayments and accrued income	21,330	19,344
	<u>1,755,575</u>	<u>1,835,836</u>

Included in other debtors is £44,166 (2001: £338,008) due from Tixover Developments Limited, representing the value of work in progress performed on a joint contract as at the year end date.

Included within other debtors is £193,000 (2001: £218,000) of funds placed on deposit with financial institutions which were held against performance bonds on certain construction projects. These funds are due back to the company on successful completion of these projects.

Included within other debtors is an amount of £125,581 falling due outside one year.

The directors each operate a current loan account with the company, which is debited with payments made by the company on behalf of the directors and credited with capital introduced and undrawn directors' fees. The following is the total amount outstanding from the directors £35,524 (2001 - £35,524).

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2002

18. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	—	4,842
Trade creditors	2,729,221	1,944,410
Amounts owed to group undertakings	—	37,719
Corporation tax	67,665	—
Other taxation and social security	38,159	25,393
Other creditors	54,069	19,438
Accruals and deferred income	80,122	14,913
	<u>2,969,236</u>	<u>2,046,715</u>

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

	2002	2001
	£	£
Bank loans and overdrafts	—	42,462
Other creditors:		
Hire purchase agreements	13,165	5,011
	<u>13,165</u>	<u>47,473</u>

20. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002	2001
	£	£
Amounts payable within 1 year	18,838	19,438
Amounts payable between 1 and 2 years	13,165	5,011
	<u>32,003</u>	<u>24,449</u>
Hire purchase agreements are analysed as follows:		
Current obligations	18,838	19,438
Non-current obligations	13,165	5,011
	<u>32,003</u>	<u>24,449</u>

21. PENSIONS

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the period amounted to £23,059 (2000: £39,621).

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2002

22. RELATED PARTY TRANSACTIONS

Included within other debtors is an amount £88,362 due from Castleoak Plc and its subsidiaries, a company with the same directors. The directors expect this to be repaid in full during the next 2 years.

The company has taken advantage of the exemption to disclose related party transactions with other group entities under FRS 8 .

23. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
151,000 Ordinary shares of £1 each	<u>151,000</u>	<u>1,000</u>
	2002	2001
	£	£
Ordinary share capital brought forward	50	50
Bonus issue of ordinary shares	<u>150,000</u>	<u>—</u>
	<u>150,050</u>	<u>50</u>

24. PROFIT AND LOSS ACCOUNT

	Year to	Period from
	31 Mar 02	1 Oct 99 to
	£	31 Mar 01
	£	£
Balance brought forward	312,134	219,759
Retained profit for the financial year	178,686	92,375
Capitalisation of reserves on bouns issue of ordinary shares	<u>(150,000)</u>	<u>—</u>
Balance carried forward	<u>340,820</u>	<u>312,134</u>

25. ULTIMATE HOLDING PARTY

The ultimate holding company is Castleoak Holdings Limited, which is incorporated in England and Wales. Copies of its group accounts, which include the company, are available from 2 County Chambers, Pentonville, Newport, South Wales.