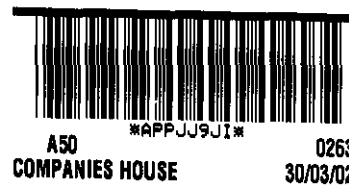


Project Genesis Limited
Financial Statements
for the year ended 30th June 2001



Chairman

J W Fawcett

Registered Office

Woodthorpe Hall
Old Tupton
Chesterfield
Derbyshire
S42 6HJ

Executive Directors

J W Fawcett
Mrs C W Fawcett
Emeritus Professor B Smythe
B Connolly

Secretary

Mrs C W Fawcett

Auditors

Mitchells Chartered Accountants
93-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

Bankers

Royal Bank of Scotland PLC
5 Church Street
Sheffield
S1 1HF

Solicitors

Dibb Lupton Alsop
Robert Muckle
Clifford Chance

Page No.

1 and 2	Directors' Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6 to 10	Notes to the Financial Statements

The directors submit their report together with the audited financial statements for the year ended 30th June 2001.

The trading result for the year after taxation was £nil.

The directors do not recommend the payment of a dividend.

Principal activity

The principal activity of the company is the regeneration and development of sites adjoining the town centre of Consett, including the 700 acre site known as Berry Edge.

Directors and their interests

The directors of the company at 30th June 2001, all of whom have been directors for the whole period, except as noted, were as follows:

'A' Directors - J W Fawcett
 Mrs C W Fawcett
'B' Directors - Emeritus Professor B Smythe
 W Connolly

In accordance with the 'Shareholders Agreement', the day to day activities of the company are vested in an executive committee which comprises the 'A' Directors.

The directors had no direct interest in the shares of the company at 30th June 2001 or 30 June 2000, according to the register required to be kept by Section 325 of the Companies Act.

Emeritus Professor Smythe and W Connolly have an indirect interest in the company by virtue of the fact that they are trustees of Project Genesis Nominees Limited which held 1 'B' share at 30th June 2001.

Mr J W Fawcett and Mrs C W Fawcett each have an interest in 125,000 ordinary shares in Dysart Developments Limited, being 50% each of the total issued share capital in that company.

Also held by Mr and Mrs Fawcett are shares in other group companies. Mr Fawcett owns 1 share in Lavenderbrook Limited. Mr and Mrs Fawcett also own 100 shares in Dysart Developments (Tyne and Wear) Limited and 1 share in Dysart Developments (Newcastle) Limited.

Cashflow statement

In the opinion of the directors the company qualifies as a small company and as such no cashflow statement has been prepared.

Directors' statement

Company law requires us as 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 we are required to:

Select suitable accounting policies 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;

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 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, Mitchells Chartered Accountants, have indicated their willingness to accept re-appointment under Section 385A(2) of the Companies Act 1985.

By Order of the Board:



MRS C W FAWCETT

Secretary

Date: 4th March 2002

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 30th June 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mitchells

**Mitchells Chartered Accountants
and Registered Auditors**

Date: *4 March 2002*

93-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

Project Genesis Limited**Profit and Loss Account****for the year ended 30th June 2001**

	Notes	2001 £	2000 £
Turnover	2	<u>397,925</u>	<u>171,579</u>
Operating costs		(404,237)	(175,760)
Other operating income		<u>18,176</u>	<u>4,181</u>
Operating profit	3	<u>11,864</u>	-
Interest and similar charges	4	<u>(11,864)</u>	-
Result on ordinary activities before taxation		-	-
Retained result transferred from reserves	12	<u>-</u>	<u>-</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year and all profits/losses have been accounted for on an historical cost basis.

Project Genesis Limited

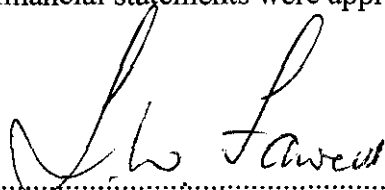
Balance Sheet

as at 30th June 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible fixed assets	5		10,199		126
Investments	6		1		1
			<u>10,200</u>		<u>127</u>
Current assets					
Long term work in progress	8	328,770		83,163	
Debtors	9	5,883		834	
Cash at bank and in hand		129,236		295,901	
		<u>463,889</u>		<u>379,898</u>	
Creditors:					
Amounts falling due within one year	10	476,883		382,819	
Net current liabilities			<u>(12,994)</u>		<u>(2,921)</u>
Total assets less current liabilities			<u>(2,794)</u>		<u>(2,794)</u>
Capital and reserves					
Share capital	11		2		2
Profit and loss account	12		(2,796)		(2,796)
Equity Shareholder Funds			<u>(2,794)</u>		<u>(2,794)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 4th March 2002 and signed upon its behalf by:



J W Fawcett


Mrs C W Fawcett
Directors

The notes on pages 6 to 10 form part of these financial statements.

1 Principal accounting policies

Accounting convention

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation, less estimated residual values of tangible fixed assets over their expected useful lives. The rates generally applicable are:

Fax Machines	25% - reducing balance
Security equipment	15% - straight line

Investments in subsidiary companies

Investments in subsidiary companies are stated at the cost of acquisition. Provision is made against investments where their value at the balance sheet date is lower than cost.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation under the liability method, at the rate of corporation tax ruling at the end of the financial year, except to the extent that any tax reduction will continue for the foreseeable future. In the opinion of the directors the amounts are not material and accordingly no deferred taxation has been provided.

2 Turnover

The turnover and operating loss for the year was derived from the company's principal activity and was carried out wholly in the UK.

30th June 2001

3 Operating profit

The operating profit is stated after charging:

	2001 £	2000 £
Auditors remuneration	2,600	2,600
Depreciation on owned assets	566	42
Loss on sale of fixed assets	47	-

4 Interest payable

Development funding and other interest payable

	2001 £	2000 £
Development funding and other interest payable	11,864	-

5 Tangible fixed assets**Cost**

At 1st July 2000

Additions

Disposals

At 30th June 2001

Depreciation

At 1st July 2000

Charged for the year

Eliminated on disposal

At 30 June 2001

Net book value

At 30th June 2001

At 1st July 2000

	Fax Machines £	Security equipment £	Total £
At 1st July 2000	398	-	398
Additions	-	10,686	10,686
Disposals	(199)	-	(199)
At 30th June 2001	199	10,686	10,885
At 1st July 2000	272	-	272
Charged for the year	32	534	566
Eliminated on disposal	(152)	-	(152)
At 30 June 2001	152	534	686
At 30th June 2001	47	10,152	10,199
At 1st July 2000	126	-	126

6 Fixed asset investments

Share in Project Genesis (Town Centre) Ltd

Cost

At 1st July 2000

At 30th June 2001

	Unlisted share £	Total £
At 1st July 2000	1	1
At 30th June 2001	1	1

7 Principal fixed asset investments

The company holds more than 10% of the share capital of the following:

Name	Country of registration (or incorporation) and operation	Class of share	Proportion held	Nature of business
Principal subsidiary undertakings:				
Subsidiary undertaking:				
Project Genesis (Town Centre) Limited	England	Ordinary	100%	Property development

At 30th June 2001 Project Genesis (Town Centre) Limited had retained profits of £nil and net assets of £1.

8	Long term work in progress	2001	2000
		£	£
	Contract costs	976,032	565,500
	Less payments on account	(647,262)	(482,337)
		<u>328,770</u>	<u>83,163</u>
9	Debtors	2001	2000
		£	£
	Other debtors	5,883	312
	Prepayments and accrued income	-	522
		<u>5,883</u>	<u>834</u>
10	Creditors: amounts falling due within one year	2001	2000
		£	£
	Other creditors	-	9,559
	Amounts owed to related companies	465,136	364,917
	Accruals and deferred income	11,747	8,343
		<u>476,883</u>	<u>382,819</u>

30th June 2001

11	Share capital	2001	2000
		£	£
	Authorised ordinary 'A' shares of £1 each	<u>50</u>	<u>50</u>
	Issued and fully paid ordinary 'A' shares of £1 each	<u>1</u>	<u>1</u>
	Authorised ordinary 'B' shares of £1 each	<u>50</u>	<u>50</u>
	Issued and fully paid ordinary 'B' shares of £1 each	<u>1</u>	<u>1</u>
12	Statement of reserves		Profit and Loss Account
			£
	At 1st July 2000		(2,796)
	At 30th June 2001		<u>(2,796)</u>
13	Reconciliation of movements in shareholders' fund	2001	2000
		£	£
	Net (reduction in) shareholders' funds	<u>-</u>	<u>-</u>
	Opening equity shareholders' funds	<u>(2,794)</u>	<u>(2,794)</u>
	Closing equity shareholders' funds	<u>(2,794)</u>	<u>(2,794)</u>
14	Parent company		
	The directors consider Dysart Developments Limited, a company incorporated in England and Wales, to be the parent company.		

15 Related party transactions

At the year end management charges to the value of £465,137 were owed by Project Genesis Limited to Dysart Developments Limited. This is a company related by common control.