

Registration Number 2796310

Project Genesis Limited
Directors' Report and Financial Statements
for the year ended 30 June 2002



Project Genesis Limited

Company Information

Directors	Mr J W Fawcett Mrs C W Fawcett Emeritus Professor B Smythe Mr W Connolly
Secretary	Mrs C W Fawcett
Company Number	2796310
Registered Office	Woodthorpe Hall Old Tupton Chesterfield Derbyshire S42 6HJ
Auditors	Mitchells 93-97 Saltergate Chetserfield Derbyshire S40 1LA
Bankers	Royal Bank of Scotland PLC 5 Church Street Sheffield S40 1HF
Solicitors	Dibb Lupton Alsop Robert Muckle Clifford Chance

Project Genesis Limited

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Project Genesis Limited

Directors' Report for the year ended 30 June 2002

The directors present their report and the financial statements for the year ended 30 June 2002.

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 who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2002	2001
	or date of appointment	
Mr J W Fawcett	-	-
Mrs C W Fawcett	-	-
Emeritus Professor B Smythe	-	-
Mr 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, being Mr J W Fawcett and Mrs C W Fawcett.

The directors had no direct interest in the shares of the company at 30 June 2002 or 30 June 2001, according to the register required to be kept by Section 325 of the Companies Act 1985.

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 30 June 2002 and at 30 June 2001.

Dysart Developments Limited held 1 'A' share at 30 June 2002 and 30 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.

Project Genesis Limited

Directors' Report for the year ended 30 June 2002

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 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

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Mitchells be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 03.03.03 and signed on its behalf by



Mrs C W Fawcett
Secretary

Project Genesis Limited

Independent auditors' report to the shareholders of Project Genesis Limited

We have audited the financial statements of Project Genesis Limited for the year ended 30 June 2002 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the 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 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.

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 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mitchells
Registered Auditor

3 March 2003

93-97 Saltergate
Chetserfield
Derbyshire
S40 1LA

Project Genesis Limited

**Profit and Loss Account
for the year ended 30 June 2002**

		2002	2001
	Notes	£	£
Turnover	2	5,275,814	397,925
Costs of sales		<u>(5,261,520)</u>	<u>(361,995)</u>
Gross profit		14,294	35,930
Operating costs		<u>(21,987)</u>	<u>(42,242)</u>
Operating loss	3	(7,693)	(6,312)
Interest receivable and similar income		12,344	18,176
Interest payable and similar charges	4	<u>(4,651)</u>	<u>(11,864)</u>
Retained profit for the year		-	-
Accumulated (loss) brought forward		<u>(2,796)</u>	<u>(2,796)</u>
Accumulated (loss) carried forward		<u><u>(2,796)</u></u>	<u><u>(2,796)</u></u>

The notes on pages 6 to 9 form an integral part of these financial statements.

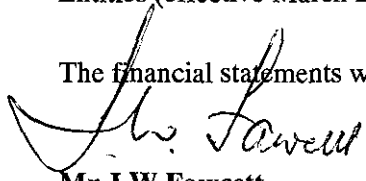
Project Genesis Limited

**Balance Sheet
as at 30 June 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	5		8,584		10,199
Investments	6		<u>1</u>		<u>1</u>
			8,585		10,200
Current Assets					
Stocks		220,914		328,770	
Debtors	7	186,537		5,883	
Cash at bank and in hand		<u>275,066</u>		<u>129,236</u>	
		682,517		463,889	
Creditors: amounts falling due within one year	8	<u>(693,896)</u>		<u>(476,883)</u>	
Net Current Liabilities			<u>(11,379)</u>		<u>(12,994)</u>
Total Assets Less Current Liabilities			<u>(2,794)</u>		<u>(2,794)</u>
Capital and Reserves					
Called up share capital	9		2		2
Profit and loss account			<u>(2,796)</u>		<u>(2,796)</u>
Shareholders' Funds			<u>(2,794)</u>		<u>(2,794)</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 03.03.03 and signed on its behalf by


Mr J W Fawcett
Director


Mrs C W Fawcett
Director

The notes on pages 6 to 9 form an integral part of these financial statements.

Project Genesis Limited

Notes to the Financial Statements for the year ended 30 June 2002

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Security equipment - 15% Straight Line

Fax machines - 25% Reducing Balance

1.4. 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.

1.5. Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6. 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 materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating loss

	2002	2001
	£	£
Operating loss is stated after charging:		
Depreciation and other amounts written off tangible assets	1,615	566
Loss on disposal of tangible fixed assets	-	47
Auditors' remuneration	1,687	2,200

Project Genesis Limited

**Notes to the Financial Statements
for the year ended 30 June 2002**

4. Interest payable and similar charges	2002	2001
	£	£
On loans and overdrafts	<u>4,651</u>	<u>11,864</u>

5. Tangible fixed assets	Security equipment	Fax machine	Total
	£	£	£
Cost			
At 1 July 2001			
At 30 June 2002	<u>10,686</u>	<u>199</u>	<u>10,885</u>
Depreciation			
At 1 July 2001	534	152	686
Charge for the year	<u>1,603</u>	<u>12</u>	<u>1,615</u>
At 30 June 2002	<u>2,137</u>	<u>164</u>	<u>2,301</u>
Net book values			
At 30 June 2002	<u>8,549</u>	<u>35</u>	<u>8,584</u>
At 30 June 2001	<u>10,152</u>	<u>47</u>	<u>10,199</u>

6. Fixed Asset Investments	Subsidiary Undertakings Shares	Total
	£	£
Cost		
At 1 July 2001		
At 30 June 2002	<u>1</u>	<u>1</u>
Net book values		
At 30 June 2002	<u>1</u>	<u>1</u>
At 30 June 2001	<u>1</u>	<u>1</u>

Project Genesis Limited

Notes to the Financial Statements for the year ended 30 June 2002

6.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held Class	
Subsidiary undertaking				
Project Genesis (Town Centre) Limited	England	Property Development	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
Project Genesis (Town Centre) Limited	1	nil

7. Debtors

	2002	2001
	£	£
Trade debtors	4,718	-
Other debtors	181,819	5,883
	<u>186,537</u>	<u>5,883</u>

8. Creditors: amounts falling due within one year

	2002	2001
	£	£
VAT refund to Derwentside College	184,607	-
Amounts owed to group undertaking	119,845	465,136
Other creditors	377,049	-
Accruals and deferred income	12,395	11,747
	<u>693,896</u>	<u>476,883</u>

Project Genesis Limited

**Notes to the Financial Statements
for the year ended 30 June 2002**

9. Share capital	2002	2001
	£	£
Authorised		
50 Ordinary shares of £1 each	<u>50</u>	<u>50</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Ultimate parent undertaking

The directors regard Dysart Developments Limited, a company registered in England and Wales, as the parent company