

Company Registration No. 3340539 (England and Wales)

**COPY FOR
REGISTRAR OF
COMPANIES**

RSA ISLAND VILLAGE LIMITED

A COMPANY LIMITED BY GUARANTEE

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003



RICHARD ANTHONY & COMPANY
Chartered Accountants and Registered Auditors

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION

Directors

G J Walker
M F Jewell
M A Polledri

Secretary

J C Collett

Company number

3340539

Registered office

13 Station Road
Finchley
London
N3 2SB

Auditors

Richard Anthony & Company
13 Station Road
Finchley
London
N3 2SB

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
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RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities

The principal activity of the company continued to be that of property development and to generate funds to assist in economic development. Such funds are to be channelled through the Enfield Enterprise Agency, whilst the Agency exists for this purpose.

Directors

The following directors have held office since 1 April 2002:

G J Walker
M F Jewell
M A Polledri

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Richard Anthony & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

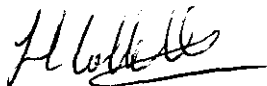
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

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

By order of the board



J C Collett
Secretary
28 July 2004

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF RSA ISLAND VILLAGE LIMITED

We have audited the financial statements of RSA Island Village Limited on pages 3 to 14 for the year ended 31 March 2003. These financial statements have been prepared 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 auditor's 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 the directors and auditors

As described in the statement of directors' responsibilities on page 1 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.

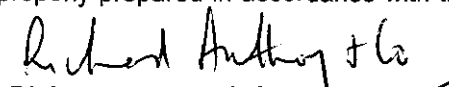
Basis of audit opinion

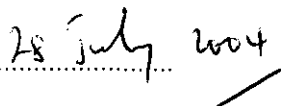
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Richard Anthony & Company
Chartered Accountants
Registered Auditor
13 Station Road
Finchley
London
N3 2SB


28 July 2004

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover		434,523	172,372
Management expenses		(253,383)	(307,659)
Other operating income		-	265,200
Operating profit	2	181,140	129,913
Profit/(loss) on sale of leaseholds	2	-	(22,031)
Profit on ordinary activities before interest		181,140	107,882
Other interest receivable and similar income		6,611	1,015
Interest payable and similar charges	3	(34,574)	(58,382)
Profit on ordinary activities before taxation		153,177	50,515
Tax on profit on ordinary activities	4	(7,871)	(28,062)
Profit on ordinary activities after taxation	11	145,306	22,453

The profit and loss account has been prepared on the basis that all operations are continuing operations.

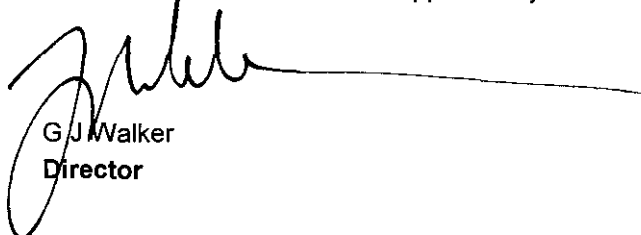
There are no recognised gains and losses other than those passing through the profit and loss account.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5	2,498,045		2,466,379	
Investments	6	100		100	
		<u>2,498,145</u>		<u>2,466,479</u>	
Current assets					
Debtors	7	43,420		450,463	
Cash at bank and in hand		597,524		87,521	
		<u>640,944</u>		<u>537,984</u>	
Creditors: amounts falling due within one year	8	<u>(554,439)</u>		<u>(327,269)</u>	
Net current assets		<u>86,505</u>		<u>210,715</u>	
Total assets less current liabilities		<u>2,584,650</u>		<u>2,677,194</u>	
Creditors: amounts falling due after more than one year	9	(316,354)		(744,204)	
Accruals and deferred income	10	(1,723,502)		(1,533,502)	
		<u>544,794</u>		<u>399,488</u>	
Capital and reserves					
Other reserves	11	501,000		501,000	
Profit and loss account	11	43,794		(101,512)	
Shareholders' funds - equity interests	12	<u>544,794</u>		<u>399,488</u>	

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

The financial statements were approved by the Board on 28 July 2004


G J Walker
Director

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents sale proceeds from the disposal of leasehold units, rents and service charges received from units, excluding value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Over 50 years
Plant and machinery	15 % on written down value
Fixtures, fittings & equipment	15% on written down value

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Investments

Current asset investment is stated at cost.

1.6 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The adoption of the standard has not required a prior period adjustment.

1.7 Government grants

Capital grants received in respect of the property development are credited to deferred revenue and will be released proportionately to the profit and loss account on disposal of the units of this property.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies **(continued)**

1.9 Development reserve

The sum received as a Development Reserve will be released proportionately to the profit and loss account on disposal of the units of this property.

2 Operating profit	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	57,386	56,463
Auditors' remuneration	10,000	10,000
and after crediting:		
Government grants	-	265,200
	<u> </u>	<u> </u>

3 Interest payable	2003	2002
	£	£
Included in interest payable is the following amount:		
Hire purchase interest	1,962	1,799
	<u> </u>	<u> </u>

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

4 Taxation	2003	2002
	£	£
Domestic current year tax		
U.K. corporation tax	7,871	27,101
Adjustment for prior years	-	961
Current tax charge	7,871	28,062
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	153,177	50,515
<i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 20.00%)</i>		
	29,104	10,103
Effects of:		
Non deductible expenses	10,903	(36,843)
Depreciation add back	411	11,293
Capital allowances	(1,372)	(3,359)
Tax losses utilised	(30,972)	-
Adjustments to previous periods	-	961
Chargeable disposals	-	45,907
Other tax adjustments	(203)	-
	(21,233)	17,959
Current tax charge	7,871	28,062

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2002	2,482,097	46,637	2,528,734
Additions	87,780	1,272	89,052
	<u>2,569,877</u>	<u>47,909</u>	<u>2,617,786</u>
At 31 March 2003			
Depreciation			
At 1 April 2002	54,369	7,986	62,355
Charge for the year	51,398	5,988	57,386
	<u>105,767</u>	<u>13,974</u>	<u>119,741</u>
At 31 March 2003			
Net book value			
At 31 March 2003	<u>2,464,110</u>	<u>33,935</u>	<u>2,498,045</u>
At 31 March 2002	<u>2,427,728</u>	<u>38,651</u>	<u>2,466,379</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 March 2003	<u>29,439</u>
At 31 March 2002	<u>33,362</u>
Depreciation charge for the year	
31 March 2003	<u>5,195</u>
31 March 2002	<u>5,888</u>

The land and buildings were valued on an open market basis by King Sturge on 24th January 2001 for £3,500,000 on the assumption that the property is 80% let.

The property is solely for investment purpose. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2002 & at 31 March 2003	100

Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
RSA Developments Limited	England	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 2003 £	Profit for the year 2003 £
RSA Developments Limited	100	-

7 Debtors

	2003 £	2002 £
Trade debtors	43,320	29,998
Other debtors	100	420,465
	43,420	450,463

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

8	Creditors: amounts falling due within one year	2003 £	2002 £
	Bank loans and overdrafts	401,698	75,706
	Net obligations under hire purchase contracts	7,850	7,850
	Trade creditors	1,453	82,952
	Taxation and social security	43,361	49,716
	Other creditors	100,077	111,045
		<u>554,439</u>	<u>327,269</u>

The bank overdraft is secured by a mortgage over the freehold land and buildings, and a debenture over all of the remaining assets of the company.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

9 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	300,000	720,000
Net obligations under hire purchase contracts	16,354	24,204
	<u>316,354</u>	<u>744,204</u>
Analysis of loans		
Wholly repayable within five years	700,000	720,000
Included in current liabilities	(400,000)	-
	<u>300,000</u>	<u>720,000</u>
Loan maturity analysis		
In more than two years but not more than five years	<u>300,000</u>	<u>720,000</u>
Net obligations under hire purchase contracts		
Repayable within one year	9,812	9,812
Repayable between one and five years	20,443	30,255
	<u>30,255</u>	<u>40,067</u>
Finance charges and interest allocated to future accounting periods	(6,051)	(8,013)
	<u>24,204</u>	<u>32,054</u>
Included in liabilities falling due within one year	(7,850)	(7,850)
	<u>16,354</u>	<u>24,204</u>

At the balance sheet date, the company had drawn down £300,000 (2002 £720,000) out of a loan facility of £700,000 (2001 £1,210,000) given by Allied Irish Bank (GB). Under the terms of the facility, no capital repayments are due for a period of two years following the initial drawdown. Thereafter, the balance outstanding is converted into a five year term loan, with any property/development sales applied in repayment of the facility.

The company have given the bank a mortgage over the former factory site, and a debenture over all the assets of the company, by way of security.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

10 Accruals and deferred income

	Government grants £
Balance at 1 April 2002	1,533,502
Grants received during the year	190,000
Balance at 31 March 2003	<u>1,723,502</u>

11 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2002	501,000	(101,512)
Retained profit for the year	-	145,306
Balance at 31 March 2003	<u>501,000</u>	<u>43,794</u>

Other reserves

Reserves provided for by the Articles of Association

Balance at 1 April 2002 & at 31 March 2003	<u>501,000</u>
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12 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	145,306	22,453
Opening shareholders' funds	399,488	377,035
Closing shareholders' funds	<u>544,794</u>	<u>399,488</u>

13 Contingent liabilities

There are no contingent liabilities to the knowledge of the directors

14 Control

The company has four members who each have equal voting rights so that there is no ultimate controlling party.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

15 Related party transactions

Mappoll Investments Limited supplied site management services to the company in the period 1st January 2002 to 31st August 2002. In that period, acting on an arms-length basis, Mappoll Investments Limited charged the company £12,500 (2002 £7,500), which sum was paid in full at the balance sheet date. Mr M A Polledri is a shareholder in Mappoll Investments Limited, and a director of RSA Island Village Limited. With effect from 1st September 2002, a different, unrelated company took over the contract.