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BUILDSAVE LIMITED
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2002



BUILDSAVE LIMITED

Directors: M W Boulton
G F Barrett
R Barrett
S A Barrett

Secretary: G F Barrett

Registered Office: 1st Floor
138 Pinner Road
HARROW
Middlesex HA1 4JE

Registered No: 03413607 England & Wales

Accountants: Ronald S Nelson & Partners
Chartered Accountants
1st Floor
138 Pinner Road
HARROW
Middlesex HA1 4JE

Auditors: Paul Harris & Co Limited
59 West End
REDRUTH
Cornwall TR15 2SQ

REPORT AND FINANCIAL STATEMENTS - 31 DECEMBER 2002

Pages 1 - 2	Report of the Directors
3 - 4	Auditors' Report
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6	Balance Sheet
7 - 9	Notes to the Accounts

The following pages do not form part of the statutory accounts:-

Pages 10 - 11	Detailed Profit and Loss account
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BUILDSAVE LIMITED
REPORT OF THE DIRECTORS

The directors present their annual report with the financial statements of the company for the year ended 31 December 2002.

Principal activity

The company did not trade during the year, having ceased to trade on 31 December 2001.

Directors and their interests

The directors during the year and their interest in the share capital of the company were as follows:-

	<u>Ordinary 'A' Shares of £1 each</u>	
	<u>At 31.12.02.</u>	<u>At 31.12.01</u>
Mr M W Boulton	10,000	10,000
Mr G F Barrett	10,000	10,000
Mr R Barrett	-	-
Mr S A Barrett	-	-

As Mr G F Barrett and Mr R Barrett are directors of the parent company, Lawford & Sons Limited, their interest in that company is shown on the financial statements of Lawford & Sons Limited.

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 accounts, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BUILDSAVE LIMITED
REPORT OF THE DIRECTORS (Continued)

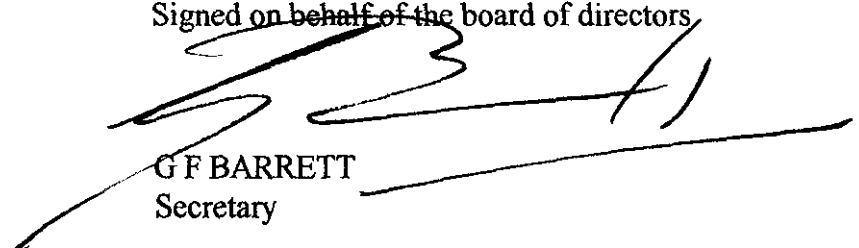
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint Paul Harris & Co Limited will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 applicable to small companies.

Signed on behalf of the board of directors



G F BARRETT
Secretary

Approved by the board: 4 September 2003.

BUILDSAVE LIMITED

Independent auditors' report to the shareholders of Buildsave Limited

We have audited the financial statements of Buildsave Limited for the year ended 31 December 2002 on pages 5 to 9. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on pages 1 and 2, 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 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 judgments 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.

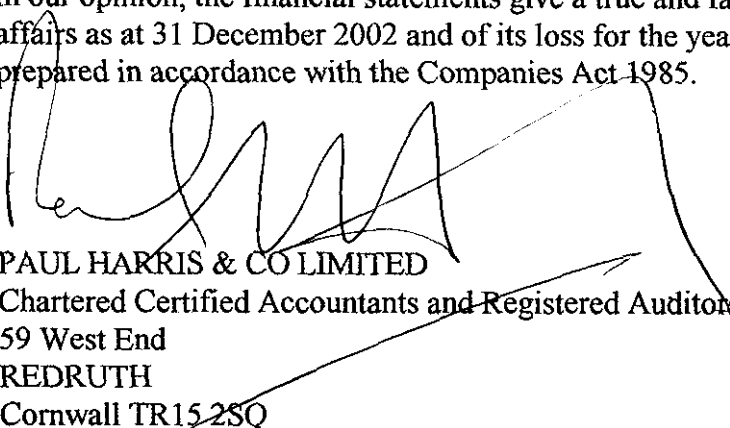
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

BUILDSAVE LIMITED

Independent auditors' report (Continued)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PAUL HARRIS & CO LIMITED
Chartered Certified Accountants and Registered Auditors
59 West End
REDRUTH
Cornwall TR15 2SQ

8 September 2003.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		£	£
TURNOVER		-	387,797
COST OF SALES		-	301,171
GROSS PROFIT		-	86,626
ADMINISTRATIVE EXPENSES	(1,639)		(52,058)
OTHER OPERATING INCOME/(EXPENSES)	2,527		(37,135)
		888	(89,193)
OPERATING PROFIT/(LOSS)	2	888	(2,567)
PROFIT ON SALE OF GOODWILL AND OTHER ASSETS		-	24,815
INTEREST RECEIVABLE		3	181
INTEREST PAYABLE		(3,186)	(7,321)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,295)	15,108
TAXATION - U K CORPORATION TAX		(758)	(3,165)
		(3,053)	11,943
RETAINED LOSS AT 1 JANUARY 2002		(219,745)	(231,688)
RETAINED LOSS AT 31 DECEMBER 2002		£(222,798)	£(219,745)

The company has no recognised gains or losses for 2001 or 2002 other than those included in the profit and loss account. The company discontinued its trade on 31 December 2001.

The notes on pages 7 to 9 form part of these financial statements.

BUILDSAVE LIMITEDBALANCE SHEET - 31 DECEMBER 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		£	£
CURRENT ASSETS			
Debtors	3	10,700	45,441
CREDITORS: Amounts falling due within one year	4	133,498	165,186
NET CURRENT LIABILITIES		(122,798)	(119,745)
TOTAL ASSETS LESS CURRENT LIABILITIES		£(122,798)	£(119,745)
CAPITAL AND RESERVES			
Called up share capital	5	100,000	100,000
Profit and loss account		(222,798)	(219,745)
SHAREHOLDERS' FUNDS	6	£(122,798)	£(119,745)

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

Signed on behalf of the Board of Directors

Director: (G F BARRETT)

Approved by the Board: 4 September 2003.

The notes on pages 7 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention on the basis that the company will continue as a going concern. The company is a subsidiary of Lawford & Sons Limited who have provided the company with financial support.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Leasehold improvements	-	2% on cost
Plant and machinery	-	10% on cost
Office equipment	-	10% on cost
Motor vehicles	-	20% on cost

Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

2. Operating (loss)/profit	<u>2002</u>	<u>2001</u>
The operating (loss)/profit is stated after charging or (crediting):	£	£
Adjustment in respect of trading activities of the previous year	(2,527)	-
Depreciation	-	1,728
Auditors' remuneration	300	2,000
Directors' emoluments	-	13,464
	<u> </u>	<u> </u>

BUILDSAVE LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002 (Continued)

	<u>2002</u> £	<u>2001</u> £
3. Debtors		
Trade debtors	-	13,016
Amount due from parent undertaking	-	7,609
Other debtors	-	14,116
Prepayments	10,700	10,700
	<u>£10,700</u>	<u>£45,441</u>
4. Creditors: Amounts falling due within one year		
	<u>2002</u> £	<u>2001</u> £
Bank loans and overdraft	4,450	97,916
Amount due to parent undertaking	88,307	-
Trade creditors	1,549	26,311
Corporation Tax	758	3,165
Taxes and social security	589	-
Accruals	37,845	37,794
	<u>£133,498</u>	<u>£165,186</u>
5. Called up share capital		
	<u>2002</u> £	<u>2001</u> £
Authorised:		
'A' Ordinary shares of £1 each	250,000	250,000
'B' Ordinary shares of £1 each	250,000	250,000
	<u>£500,000</u>	<u>£500,000</u>
Allotted, called up and fully paid		
100,000 'A' Ordinary shares of £1 each	<u>£100,000</u>	<u>£100,000</u>

BUILDSAVE LIMITEDNOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002 (Continued)

6. RELATED PARTIES

As mentioned in Note 8 the company is controlled by Lawford & Sons Limited who own 80% of the issued share capital.

During the period of these accounts the company purchased goods from Lawford & Sons Limited amounting to £NIL (2001 - £115,450).

At 31 December 2002 the amount due to Lawford & Sons Limited was £88,307 (2001 - £NIL).

7. ULTIMATE PARENT UNDERTAKING

At 31 December 2002 the ultimate parent company is Lawford & Sons Limited incorporated in England and Wales.

8. SHAREHOLDERS' FUNDS	<u>2002</u>	<u>2001</u>
	£	£
(Loss)/Profit for the financial year	(3,053)	11,943
Opening shareholders' funds at 31 December 2001	(119,745)	(131,688)
	_____	_____
Closing shareholders' funds at 31 December 2002	<u>£122,798</u>	<u>£(119,745)</u>