

**Cavanna Group Management Services
Limited**

Financial Statements

For

4 December 2001

Company Registration Number 4214607



BISHOP FLEMING

Chartered Accountants & Registered Auditors
50 The Terrace
Torquay
Devon

Cavanna Group Management Services Limited

Financial Statements

Period From 11 May 2001 to 4 December 2001

Contents	Pages
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditors' report to the shareholders	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 8

Cavanna Group Management Services Limited**Officers and Professional Advisers**

The Board of Directors

J M Cavanna
P M Cavanna
A F Cavanna
M G Cavanna
J Cavanna

Company Secretary

E Rapson

Registered Office

302 Union Street
Torquay
Devon

Auditors

Bishop Fleming
Chartered Accountants
& Registered Auditors
50 The Terrace
Torquay
Devon

Bankers

Barclays Bank Plc
Exeter Corporate Banking Centre
3 Bedford Street
Exeter
Devon

Solicitors

Boyce Hatton
12 Tor Hill Road
Castle Circus
Torquay
Devon

Cavanna Group Management Services Limited

The Directors' Report

Period From 11 May 2001 to 4 December 2001

The directors present their report and the financial statements of the company for the period from 11 May 2001 to 4 December 2001.

Principal activities and business review

The principal activity of the company during the period was that of a management services company providing staff for other Cavanna group companies.

The company was incorporated on 11 May 2001 and commenced trading on 23 August 2001.

On the 22 August 2001, there was a group reorganisation, whereby the businesses carried on by Cavanna Homes Limited (now Cassiobury Homes Limited) were split on an area by area basis between a series of newly formed companies.

The directors and their interests in shares of the company

The directors who served the company during the period were as follows:

J M Cavanna	(Appointed 25 July 2001)
P M Cavanna	(Appointed 25 July 2001)
A F Cavanna	(Appointed 25 July 2001)
M G Cavanna	(Appointed 25 July 2001)
J Cavanna	(Appointed 25 July 2001)

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

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 period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 7, 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; and

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.

Cavanna Group Management Services Limited

The Directors' Report *(continued)*

Period From 11 May 2001 to 4 December 2001

Auditors

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

Small company provisions

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

Registered office:
302 Union Street
Torquay
Devon

Signed by order of the directors



E Rapson
Company Secretary

Approved by the directors on 12/3/02

Cavanna Group Management Services Limited**Independent Auditors' Report to the Shareholders****Period From 11 May 2001 to 4 December 2001**

We have audited the financial statements on pages 5 to 8 which 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 on page 7.

Respective responsibilities of the directors and the auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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.

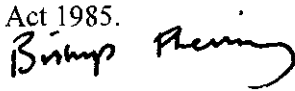
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 4 December 2001 and of the loss of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

50 The Terrace
Torquay
Devon

19 April 2002


BISHOP FLEMING
Chartered Accountants
& Registered Auditors

Cavanna Group Management Services Limited**Profit and Loss Account****Period From 11 May 2001 to 4 December 2001**

	Note	Period from 11 May 01 to 4 Dec 01 £
Turnover		481,180
Administrative expenses		<u>481,124</u>
Operating profit		56
Tax on profit on ordinary activities		<u>(57)</u>
Loss for the financial period		<u>(1)</u>

Cavanna Group Management Services Limited

Balance Sheet

4 December 2001

	Note	£
Current assets		
Debtors	3	247,853
Creditors: Amounts falling due within one year	4	<u>(246,854)</u>
Net current assets		<u>999</u>
Total assets less current liabilities		<u>999</u>
Capital and reserves		
Called-up equity share capital	7	1,000
Profit and Loss Account	8	<u>(1)</u>
Shareholders' funds		<u>999</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the12/13/02....., and are signed on their behalf by:

JM Cavanna

J M Cavanna
Director

Cavanna Group Management Services Limited

Notes to the Financial Statements

Period From 11 May 2001 to 4 December 2001

1. Accounting policies

(a) Basis of accounting

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

(b) Consolidation

The company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the United Kingdom. As a result, the company, in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

(c) Turnover

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

(d) 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.

(e) Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. Directors' emoluments

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

	Period from 11 May 01 to 4 Dec 01 £
Aggregate emoluments	95,200
Value of company pension contributions to money purchase schemes	17,806
	<u>113,006</u>

3. Debtors

	4 Dec 01 £
Amounts owed by group undertakings	245,235
Other debtors	2,618
	<u>247,853</u>

Cavanna Group Management Services Limited

Notes to the Financial Statements

Period From 11 May 2001 to 4 December 2001

4. Creditors: Amounts falling due within one year

	4 Dec 01
	£
Bank loans and overdrafts	8,499
Other creditors	41,419
Accruals and deferred income	196,936
	<u>246,854</u>

5. Contingencies

The company has entered into cross guarantees in respect of bank borrowings of other group companies amounting to £644,389.

6. Related party transactions

As a wholly owned subsidiary undertaking of Cavanna Group Limited, the company has taken advantage of the exemption in Financial Reporting Standard No. 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Cavanna Group Limited.

7. Share capital

Authorised share capital:

	4 Dec 01
	£
1,000 Ordinary shares of £1.00 each	<u>1,000</u>

Allotted, called up and fully paid:

	4 Dec 01
	£
Issue of ordinary shares	<u>1,000</u>

8. Profit and loss account

	Period from 11 May 01 to 4 Dec 01 £
Retained loss for the financial period	<u>(1)</u>
Balance carried forward	<u>(1)</u>

9. Ultimate parent company

The holding company is Cavanna Group Limited, a company incorporated in England. Copies of the financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.