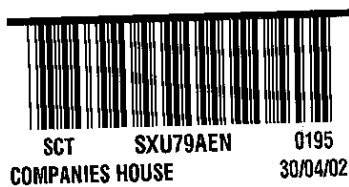


ROK DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2001



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Company no SC 154751

ROK DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2001

Company registration number: SC 154751

Registered office: Unit 23
9 Munro Road
Springkerse Industrial Estate
Stirling
FK7 7UU

Directors: Mr J P Quinn
Mr J A Cheetham

Secretary: Mr J A Cheetham

Bankers: The Royal Bank of Scotland plc
Stirling Pitt Terrace Branch
2 Pitt Terrace
Stirling
FK8 2EX

Solicitors: Kerr and Co.
10 Albert Place
Stirling
FK8 2QL

Auditors: Grant Thornton
Registered auditors
Chartered accountants

ROK DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2001

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ROK DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

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

Principal activities

The company is principally engaged in the letting and management of industrial property.

Business review

There was a profit for the year after taxation amounting to £35,746 (2000: profit £33,275). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below.

The interests of the directors and their families in the shares of the company as at 30 June 2001 and 1 July 2000, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	30 June 2001	1 July 2000
Mr J P Quinn	-	-
Mr J A Cheetham	-	-

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

Directors' responsibilities for the financial statements

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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

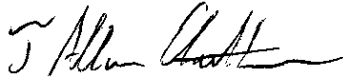
ROK DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton were appointed auditors on 6 November 2001 in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD



Director J ALLAN CHEETHAM

26 APRIL 2002

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ROK DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

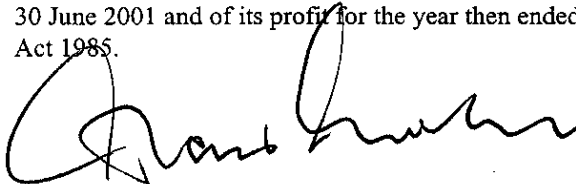
Basis of opinion

We conducted our audit in accordance with 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Date 26 April 2002

ROK DEVELOPMENTS LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention except that leasehold investment properties are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

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

INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No. 19, the company's properties are held for long-term investment and are included in the balance sheet at their open market values. The surpluses or deficits on revaluation of such properties are transferred to the investment property revaluation reserve. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from the statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

ROK DEVELOPMENTS LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2001

	Note	2001 £	2000 £
Turnover	1	170,162	177,630
Cost of sales		(125,804)	(119,670)
Gross profit		44,358	57,960
Administrative expenses		(4,597)	(12,899)
Operating profit		39,761	45,061
Net interest	2	(1,445)	(3,817)
Profit on ordinary activities before taxation	1	38,316	41,244
Tax on profit on ordinary activities	4	(2,570)	(7,969)
Profit transferred to reserves	10	35,746	33,275

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

ROK DEVELOPMENTS LIMITED

BALANCE SHEET AT 30 JUNE 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	5	750,000	750,000
Current assets			
Debtors	6	53,007	33,329
		<u>53,007</u>	<u>33,329</u>
Creditors: amounts falling due within one year		<u>(65,079)</u>	<u>(81,147)</u>
Net current liabilities		<u>(12,072)</u>	<u>(47,818)</u>
Total assets less current liabilities		<u>737,928</u>	<u>702,182</u>
Capital and reserves			
Called up share capital	9	2	2
Revaluation reserve	10	750,000	750,000
Profit and loss account	10	(12,074)	(47,820)
	11	<u>737,928</u>	<u>702,182</u>

The financial statements were approved by the Director on 26th APRIL 2002

J M A H

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

ROK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation relate to one continuing activity, the letting and management of industrial property.

The profit on ordinary activities is stated after:

	2001 £	2000 £
Auditors' remuneration	1,200	1,140

2 NET INTEREST

	2001 £	2000 £
On overdrafts	1,445	3,817

3 DIRECTORS AND EMPLOYEES

The directors did not receive remuneration in the year (2000: nil), and did not participate in defined contribution pension schemes (2000: nil).

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2001 £	2000 £
UK Corporation tax at 21% (2000: 19%)	2,570	7,969

5 TANGIBLE FIXED ASSETS

	Leasehold investment property £
Cost or valuation At 1 July 2000 and 30 June 2001	750,000
Net book amount at 30 June 2001	750,000
Net book amount at 30 June 2000	750,000

ROK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

The investment property is located at 9 Munro Road, Stirling and leased from a third party. It is valued at open market value on a multiple of the rental income. The most recent valuation was performed on 2 March 1999 by J&E Shepherd, Chartered Surveyors. The property has no historic cost value.

6 DEBTORS

	2001 £	2000 £
Trade debtors	13,886	13,928
Amounts owed by group undertakings	20,000	-
Taxation recoverable	-	280
Prepayments and accrued income	19,121	19,121
	<u>53,007</u>	<u>33,329</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank overdrafts	18,135	40,890
Trade creditors	71	423
Corporation tax	10,539	8,249
Social security and other taxes	3,444	2,914
Accruals and deferred income	32,890	28,671
	<u>65,079</u>	<u>81,147</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

8 DEFERRED TAXATION

Potential but unprovided deferred tax in relation to the revaluation of properties:

	Amount unprovided	
	2001	2000
	£	£
Other timing differences - on revaluation surpluses	<u>225,000</u>	<u>225,000</u>

ROK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

9 SHARE CAPITAL

	2001 £	2000 £
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 2 ordinary shares of £1 each	2	2

10 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 July 2000	750,000	(47,820)
Retained profit for the year	-	35,746
At 30 June 2001	750,000	(12,074)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	35,746	33,275
Net increase in shareholders' funds	35,746	33,275
Shareholders' funds at 1 July 2000	702,182	668,907
Shareholders' funds at 30 June 2001	737,928	702,182

12 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 2001 or 30 June 2000.

13 CONTINGENT LIABILITIES

The company has unlimited cross guarantees with ROK Holdings Limited and its subsidiary undertakings. At 30 June 2001 the bank borrowings of the group amounted to £4,371,719 (2000: £3,796,736).

The company also has a contingent liability in respect of deferred tax.

ROK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

14 LEASING COMMITMENTS

Operating lease payments amounting to £120,000 (2000: £120,000) are due within one year. The leases to which these amounts relate expire as follows:

	2001	2000
	Land and	Land and
	buildings	buildings
	£	£
In five years or more	120,000	120,000

15 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of ROK Holdings Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group.

16 ULTIMATE PARENT UNDERTAKING

ROK Holdings Limited is this company's controlling related party by virtue of its 100% ownership of the company. The ultimate controlling related party is Mr J P Quinn as a result of his 85% shareholding in ROK Holdings Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by ROK Holdings Limited which is registered in Scotland.