

Flatmajor Limited

FINANCIAL STATEMENTS

for the year ended

14 September 2003



Flatmajor Limited

DIRECTORS AND OFFICERS

DIRECTORS

M R Johnstone
I E Anderson

SECRETARY

I E Anderson

COMPANY NUMBER

273280 (England and Wales)

REGISTERED OFFICE

1st Floor
46 Clarendon Road
Watford
Herts
WD17 1JJ

AUDITORS

Baker Tilly
Chartered Accountants
1st Floor
46 Clarendon Road
Watford
Herts
WD17 1JJ

Flatmajor Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Flatmajor Limited for the year ended 14 September 2003.

PRINCIPAL ACTIVITIES

The company did not trade during the year.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company is now dormant and there are no plans to re-activate it.

RESULTS AND DIVIDENDS

The loss for the year before taxation amounted to £Nil (2002: £852,999).

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office since 15 September 2002:

M R Johnstone

I E Anderson

DIRECTORS' INTERESTS

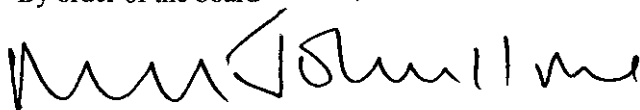
The director does not have any interest in the shares of the company.

The directors' interests in the holding company are shown in that company's accounts.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board 25th March 2004



M R Johnstone

Director

Flatmajor Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires 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 year. In preparing those financial statements, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLATMAJOR LIMITED

We have audited the financial statements on pages 5 to 9.

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 directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

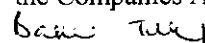
Basis of opinion

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 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 at 14 September 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY

Registered Auditor
Chartered Accountants
1st Floor
46 Clarendon Road
Watford
Herts
WD17 1JJ

1 April 2004

Flatmajor Limited

PROFIT AND LOSS ACCOUNT

for the year ended 14 September 2003

	Notes	2003 £	2002 £
OPERATING LOSS		-	-
Exceptional items	1	-	852,999
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(852,999)
Taxation	2	-	-
LOSS FOR THE YEAR	5	-	(852,999)

The operating result for the year arises from the company's discontinued operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account.

Flatmajor Limited

BALANCE SHEET

14 September 2003

	Notes	2003 £	2002 £
CURRENT ASSETS			
Debtors	3	339,654	339,654
NET CURRENT ASSETS		339,654	339,654
TOTAL ASSETS LESS CURRENT LIABILITIES		339,654	339,654
CAPITAL AND RESERVES			
Called up share capital	4	4,415,547	4,415,547
Profit and loss account	5	(4,075,893)	(4,075,893)
SHAREHOLDERS' FUNDS	6	339,654	339,654

Approved by the board on 25th March 2004



M R Johnstone Director

Flatmajor Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

Flatmajor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 14 September 2003

1 EXCEPTIONAL ITEMS

During the year ended 14 September 2001 intercompany debts were written back/(written off) but not released. The provisions were reversed in the year ended 14 September 2002.

	2003 £	2002 £
Becas Limited	-	(277,143)
Cheergrey Properties Limited	-	(341,083)
La Favorite Limited	-	(190,320)
Elsenham Natural Spring Water Company Limited (formerly Patum Peperium Limited)	-	26,301
	-	(782,245)
In addition a provision was made against the investment in subsidiary undertaking, Chartmarket Limited.	-	1,635,244
	-	852,999

2 TAXATION

No charge to taxation arises in the year.

3 DEBTORS

	2003 £	2002 £
Amounts due from group undertakings	339,654	339,654

4 SHARE CAPITAL

	2003 £	2002 £
Authorised Ordinary shares of £1 each	15,000,000	15,000,000
Allotted, issued and fully paid Ordinary shares of £1 each	4,415,547	4,415,547

Flatmajor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 14 September 2003

5	PROFIT AND LOSS ACCOUNT	2003 £	2002 £
	15 September 2002	(4,075,893)	(3,222,894)
	Loss for the financial year	-	(852,999)
		<hr/>	<hr/>
	14 September 2003	(4,075,893)	(4,075,893)
		<hr/>	<hr/>
6	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2003 £	2002 £
	Loss for the financial year	-	(852,999)
	Opening shareholders' funds	339,654	1,192,653
		<hr/>	<hr/>
	Closing shareholders' funds	339,654	339,654
		<hr/>	<hr/>
7	ULTIMATE HOLDING COMPANY		
	The Directors regard Cheergrey Limited, a company registered in England and Wales, as the ultimate holding company. M R Johnstone is the ultimate controlling party.		
8	RELATED PARTY TRANSACTIONS		
	Included in debtors is £339,654 (2002 : £339,654) due from Cheergrey Limited, the holding company.		