

Company Registration No. 01074857 (England and Wales)

BRIAN LIVESEY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2002



BRIAN LIVESEY LIMITED

COMPANY INFORMATION

Directors	B Livesey (snr)	
	K Livesey	
	B Livesey (jnr)	
	J F Longson	(Appointed 2 June 2003)
	P Livesey	
	A Livesey	
Secretary	A Livesey	
Company number	01074857	
Registered office	Unit 171 Walton Summit Centre Bamber Bridge, Preston Lancashire PR5 8AH	
Auditors	HLB AV Audit plc South Central 11 Peter Street Manchester M2 5LG	
Bankers	Bank of Scotland 19-21 Spring Gardens Manchester M2 1FB	
Solicitors	Kevills 32 St Thomas Road Chorley Lancashire PR7 1HZ	

BRIAN LIVESEY LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the financial statements	7 - 18

BRIAN LIVESEY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2002

The directors present their report and financial statements for the year ended 31 October 2002.

Principal activities and review of the business

The principal activity of the company continued to be that of property maintenance and refurbishment and construction.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 November 2001:

B Livesey (snr)	
A Livesey	(Appointed 5 January 2004 and resigned 2 June 2003)
K Livesey	
B Livesey (jnr)	
J F Longson	(Appointed 2 June 2003)
P Livesey	

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 October 2002	1 November 2001
B Livesey (snr)	-	-
K Livesey	-	-
B Livesey (jnr)	-	-
P Livesey	-	-

	Cumulative redeemable preference shares of £ 1 each	
	31 October 2002	1 November 2001
B Livesey (snr)	-	-
K Livesey	-	-
B Livesey (jnr)	-	-
P Livesey	-	-

Charitable donations	2002	2001
	£	£

During the year the company made the following payments:

Charitable donations	-	2,560
----------------------	---	-------

Auditors

HLB AV Audit plc were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

BRIAN LIVESEY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002


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;
- 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 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.

On behalf of the board



A Livesey

Director

27.02.04

BRIAN LIVESEY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRIAN LIVESEY LIMITED

We have audited the financial statements of Brian Livesey Limited on pages 4 to 18 for the year ended 31 October 2002. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) 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 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 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 October 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HLB AV Audit plc

HLB AV Audit plc

Registered Auditors

27 February 2004

South Central
11 Peter Street
Manchester
M2 5LG

BRIAN LIVESEY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2002

		2002	2001
	Notes	£	as restated £
Turnover	2	18,207,350	14,936,655
Cost of sales		(14,040,965)	(11,151,204)
Gross profit		4,166,385	3,785,451
Administrative expenses		(3,913,508)	(3,051,698)
Other operating income		132,654	250,686
Operating profit	3	385,531	984,439
Amounts written off investments	4	(14,489)	-
Interest payable and similar charges	5	(261,884)	(261,298)
Profit on ordinary activities before taxation		109,158	723,141
Tax on profit on ordinary activities	6	(77,434)	(304,432)
Profit on ordinary activities after taxation		31,724	418,709
Dividends (including those in respect of non-equity shares)	7	(15,955)	(15,955)
Retained profit for the year	17	15,769	402,754

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

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

BRIAN LIVESEY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 OCTOBER 2002

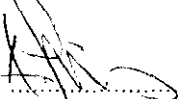
	2002 £	2001 £
Profit for the financial year	15,759	402,754
Unrealised (deficit)/surplus on revaluation of properties	-	25,000
Total recognised gains and losses relating to the year	15,759	427,754
Prior year adjustment (note 17)	(245,282)	-
Amounts due to minority interests	15,955	-
Total gains and losses recognised since last financial statements	(213,568)	427,754

BRIAN LIVESEY LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2002

		2002		2001	
	Notes	£	£	Restated £	£
Fixed assets					
Tangible assets	8		2,125,953		2,415,527
Current assets					
Stocks	9	106,770		298,268	
Debtors	10	10,819,014		7,185,423	
Investments	11	10,511		25,000	
Cash at bank and in hand		28,669		8,911	
		<u>10,964,964</u>		<u>7,517,602</u>	
Creditors: amounts falling due within one year	12	<u>(8,694,483)</u>		<u>(6,179,664)</u>	
Net current assets			2,270,481		1,337,938
Total assets less current liabilities			4,396,434		3,753,465
Creditors: amounts falling due after more than one year	13		(1,835,000)		(1,198,323)
Provisions for liabilities and charges	14		<u>(171,985)</u>		<u>(181,462)</u>
			<u>2,389,449</u>		<u>2,373,680</u>
Capital and reserves					
Called up share capital	16		236,550		236,550
Revaluation reserve	17		500,022		500,022
Profit and loss account	17		1,652,877		1,637,108
Shareholders' funds	18		<u>2,389,449</u>		<u>2,373,680</u>
Equity interests			2,229,899		2,214,130
Non-equity interests			159,550		159,550
			<u>2,389,449</u>		<u>2,373,680</u>

The financial statements were approved by the Board on 27.02.04



A Livesey
Director

BRIAN LIVESEY LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover and profits

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.4 Tangible fixed assets and depreciation

The company's properties, which comprise of freehold property, and long leasehold property are valued on an open market existing use basis by professional valuers at least every five years with an interim valuation at least every three years in accordance with Financial Reporting Standard No. 15: Tangible fixed assets. These revaluations are incorporated in the financial statements and the gains arising thereon are recognised in the statement of total recognised gains and losses. Revaluation losses that are caused by a consumption of economic benefits are recognised in the profit and loss account. Other revaluation losses are recognised in the statement of total recognised gains and losses until the carrying amount of the asset reaches its depreciated historical cost and thereafter losses are recognised in the profit and loss account.

On an annual basis the company estimates the recoverable amount of its properties based on the higher of their net realisable values or the present values of future cash flows expected to result from their use. Where the recoverable amount is less than the carrying amount of the properties, the company recognises an impairment loss in the financial statements on a basis consistent with the recognition of revaluation gains and losses as set out above.

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

Land and buildings Freehold	nil
Land and buildings Leasehold	nil
Plant and machinery	10% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

The directors review the estimates of useful lives and residual values annually, based on prices previously at the time of acquisition or subsequent valuation, and based on their estimates, have determined that any charge to depreciation on freehold and long leasehold buildings would be immaterial.

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

1 Accounting policies

(continued)

1.5 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Long term contracts

Amounts recoverable on long term contracts, which are included in trade debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.9 Pensions

The Company contributes to certain employees' personal pension schemes. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.10 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.

In accordance with FRS19 deferred tax is recognised on revalued assets (property) only where at the balance sheet date there is a binding agreement to sell the revalued assets and the gain expected to arise on the sale of the assets has been recognised.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future. The adoption of the standard has required a prior period adjustment.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

3	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	218,520	260,912
	Operating lease rentals		
	- Plant and machinery	409,651	471,426
	- Other assets	11,868	-
	Auditors' remuneration	37,250	11,682
	and after crediting:		
	Rents receivable	(130,250)	(142,650)
	Profit on disposal of tangible assets	(4,234)	(4,803)
		<u> </u>	<u> </u>
4	Amounts written off investments	2002	2001
		£	£
	Amounts written off current asset investments	14,489	-
		<u> </u>	<u> </u>
5	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	209,729	228,429
	Hire purchase interest	29,738	32,869
	Other interest	22,417	-
		<u> </u>	<u> </u>
		<u>261,884</u>	<u>261,298</u>

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

6	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	86,911	304,432
	Current tax charge	86,911	304,432
	Deferred tax		
	Deferred tax charge/credit current year	(9,477)	-
		77,434	304,432
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	109,158	723,141
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2001 : 30.00 %)	32,747	216,942
	Effects of:		
	Non deductible expenses	44,938	83,374
	Depreciation add back	65,556	78,274
	Capital allowances	(54,809)	(90,336)
	Tax losses utilised	-	(5,666)
	Other tax adjustments	(1,521)	21,844
		54,164	87,490
	Current tax charge	86,911	304,432
7	Dividends	2002	2001
		£	£
	Dividends on non-equity shares:		
	Preference final proposed	15,955	15,955
		15,955	15,955

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

8 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 November 2001	860,000	496,626	328,728	259,910	1,328,625	3,273,889
Additions	-	-	8,039	35,261	-	43,300
Disposals	-	-	-	-	(202,481)	(202,481)
At 31 October 2002	860,000	496,626	336,767	295,171	1,126,144	3,114,708
Depreciation						
At 1 November 2001	-	-	115,860	122,271	620,231	858,362
On disposals	-	-	-	-	(88,127)	(88,127)
Charge for the year	-	-	19,289	38,315	160,916	218,520
At 31 October 2002	-	-	135,149	160,586	693,020	988,755
Net book value						
At 31 October 2002	860,000	496,626	201,618	134,585	433,124	2,125,953
At 31 October 2001	860,000	496,626	212,868	137,639	708,394	2,415,527

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

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values				
At 31 October 2002	73,963	39,358	211,945	325,266
At 31 October 2001	82,181	52,478	427,656	562,315
Depreciation charge for the year				
31 October 2002	8,218	13,120	70,648	91,986
31 October 2001	9,131	5,830	142,552	157,513

Included in freehold land and buildings is land and buildings at cost of £369,200 (2001 : £369,200) which is not depreciated in accordance with the Company's accounting policy.

The freehold land and buildings were valued at £860,000 on 30 October 2000 by Insignia Richard Ellis, independent external Chartered Surveyors, on an open market existing use basis.

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

9	Stocks	2002 £	2001 £ Restated
	Raw materials and consumables	98,920	290,418
	Other	7,850	7,850
		<u>106,770</u>	<u>298,268</u>

The comparative figures for the year ended 31 October 2001 have been restated to include work in progress as trade debtors. The previously reported work in progress was £2,002,378.

10	Debtors	2002 £	2001 £ Restated
	Trade debtors	4,661,287	4,855,226
	Amounts owed by parent and fellow subsidiary undertakings	946,336	946,086
	Other debtors	5,038,200	1,357,898
	Prepayments and accrued income	173,191	26,213
		<u>10,819,014</u>	<u>7,185,423</u>

The comparative figures for the year ended 31 October 2001 have been restated to include work in progress and retentions in trade debtors. The previously reported trade debtors was £2,699,163 and the retentions was £153,685.

Amounts falling due after more than one year and included in the debtors above are:

	2002 £	2001 £
Other debtors	<u>2,779,718</u>	<u>1,353,169</u>

The debtors falling due after one year include the joint venture loan account of £1,534,530 (2001- £1,146,005) and amounts due from a connected company - Bakersfield Entertainment Limited of £1,245,188 (2001- £207,164). (See note 24).

11	Current asset investments	2002 £	2001 £
	Listed investments	<u>10,511</u>	<u>25,000</u>
	Market valuation of listed investments	<u>10,511</u>	<u>24,458</u>

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

12 Creditors: amounts falling due within one year	2002 £	2001 £ Restated
Bank loans and overdrafts	3,055,475	1,897,031
Net obligations under hire purchase contracts	103,344	270,964
Trade creditors	3,541,677	2,131,778
Corporation tax	393,267	463,549
Other taxes and social security costs	945,869	910,325
Directors' current accounts	50,450	-
Other creditors	170,422	122,195
Accruals and deferred income	354,204	320,002
Proposed dividend	79,775	63,820
	<u>8,694,483</u>	<u>6,179,664</u>

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The company is currently negotiating new bank facilities which are expected to be concluded in the next few weeks. In addition, the directors have committed to provide additional funding to the company through Bakersfield Entertainment Limited, a company under common control. As a result, the company expects to operate within its existing facilities and, thereafter, within the facilities offered by its new bankers, for at least the next 12 months. These views are based on the company's plans and the successful outcome of discussions with the company's new bankers.

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

13 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	1,835,000	1,063,121
Net obligations under hire purchase contracts	-	135,202
	<u>1,835,000</u>	<u>1,198,323</u>
Analysis of loans		
Not wholly repayable within five years	2,246,490	1,164,316
	<u>2,246,490</u>	<u>1,164,316</u>
Included in current liabilities	(411,490)	(101,195)
	<u>1,835,000</u>	<u>1,063,121</u>
Loan maturity analysis		
In more than one year but not more than two years	310,000	-
In more than two years but not more than five years	850,000	404,782
In more than five years	675,000	658,339
	<u>1,835,000</u>	<u>1,163,121</u>
The bank overdraft and loans are secured on the company premises at Walton Summit Centre, Bamber Bridge, Preston and land at Ribchester Road, Lytham, and a mortgage debenture incorporating a fixed and floating charge over all current assets of the company and by directors' personal guarantees.		
Net obligations under hire purchase contracts		
Repayable within one year	162,215	307,218
Repayable between one and five years	-	153,292
	<u>162,215</u>	<u>460,510</u>
Finance charges and interest allocated to future accounting periods	(58,871)	(54,344)
	<u>103,344</u>	<u>406,166</u>
Included in liabilities falling due within one year	(103,344)	(270,964)
	<u>-</u>	<u>135,202</u>

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

14 Provisions for liabilities and charges

	Deferred tax liability £
Balance as at 1 November 2001 as restated	181,462
Profit and loss account	(9,477)
	<hr/>
Balance at 31 October 2002	171,985
	<hr/>

The deferred tax liability is made up as follows:

	2002 £	2001 £
Accelerated capital allowances	171,985	181,462
	<hr/>	<hr/>

15 Pension costs

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	48,132	55,017
	<hr/>	<hr/>

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

16 Share capital	2002 £	2001 £
Authorised		
1,000,000 Ordinary shares of £ 1 each	1,000,000	1,000,000
500,000 Cumulative redeemable preference shares of £ 1 each	500,000	500,000
	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called up and fully paid		
77,000 Ordinary shares of £ 1 each	77,000	77,000
159,550 Cumulative redeemable preference shares of £ 1 each	159,550	159,550
	<u>236,550</u>	<u>236,550</u>

The cumulative redeemable preference £1 ordinary shares are redeemable at par and attract a cumulative fixed preferential dividend of 10%. The shares are non voting. The earliest date of redemption was 1 May 2001 and all of the shares must be redeemed by 1 May 2007. The cumulative redeemable preference shares of £1 each have priority for both dividend and repayment of capital in a winding up over existing shares.

17 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 November 2001 as previously reported	500,022	1,882,390
Prior year adjustment	-	(245,282)
Balance at 1 November 2001 as restated	500,022	1,637,108
Retained profit for the year	-	15,769
Balance at 31 October 2002	<u>500,022</u>	<u>1,652,877</u>

Prior year adjustments

There were fundamental accounting errors in prior years relating to the treatment of minority interests.

At 31 October 1998 through to 31 October 2001 inclusive, minority interests of £15,955 per annum had not been accounted for. This amounted to a prior year adjustment of £63,860 (£47,865 for 2000 and prior years).

Due to a change in accounting policy for deferred tax, £181,422 relating to prior years now needs to be provided for.

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

18 Reconciliation of movements in shareholders' funds	2002 £	2001 £
Profit for the financial year	31,724	418,709
Dividends	(15,955)	(15,955)
	<u>15,769</u>	<u>402,754</u>
Other recognised gains and losses	-	25,000
	<u>15,769</u>	<u>427,754</u>
Net addition to shareholders' funds	2,373,680	1,945,926
Opening shareholders' funds	<u>2,389,449</u>	<u>2,373,680</u>
Closing shareholders' funds	<u>2,389,449</u>	<u>2,373,680</u>

19 Contingent liabilities

The company has provided guarantees in respect of the bank borrowings of a connected company, Bakersfield Entertainment Limited. At 31 October 2002 the amount outstanding in respect of these borrowings was £890,865.

Also, the company has provided guarantees in respect of the borrowings of Bakersfield Entertainment Limited for amounts due to Coors Brewers Limited. At 31 October 2002 the amount outstanding in respect of these borrowings was £1,154,520.

20 Directors' emoluments	2002 £	2001 £
Emoluments for qualifying services	<u>211,765</u>	<u>147,083</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	<u>52,062</u>	<u>41,250</u>
The number of directors in Company Pension Schemes - 0 (2001:0)		

21 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2002 £	2001 £	Maximum in year £
P Livesey	34,998	-	34,998
K Livesey	63,723	-	63,723

BRIAN LIVESEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Administration and management	58	54
Production and sales	123	173
	<u>181</u>	<u>227</u>

Employment costs

	£	£
Wages and salaries	3,808,616	4,455,004
Social security costs	339,170	415,568
Other pension costs	48,132	41,579
	<u>4,195,918</u>	<u>4,912,151</u>

23 Control

The immediate parent company is The Livesey Group Limited, a company registered in England and Wales. The ultimate parent company and ultimate controlling party is Hacienda International Limited, a company registered in British Virgin Islands.

The Livesey Group Limited prepares group financial statements and copies can be obtained from Unit 171, Walton Summit Centre, Bamber Bridge, Preston, Lancashire PR5 8AH.

24 Related party transactions

During the year, the company provided services to Bakersfield Entertainments Limited, a company of which B. Livesey (snr) and A Livesey are directors.

Sales of £2,146,386 (2001: £1,129,153) were made from Brian Livesey Limited to Bakersfield Entertainments Limited during the year, of which £2,143,533 (£147,174) was outstanding at the year end. Brian Livesey Limited also incurred expenditure on behalf of Bakersfield Entertainments Limited during the year totalling £nil (2001: 297,205). At 31 October 2002 the amount outstanding was £1,245,188 (2001: £207,164).

Brian Livesey Limited has entered into three joint ventures with three wholly owned subsidiaries of Hacienda International Limited to develop residential property in Spain. During the year to 31 October 2002 Brian Livesey Limited provided funding to the joint ventures amounting to £388,525 (2001: 1,146,005) and this sum remained unpaid at 31 October 2002. Projected figures for the three joint ventures indicate total cost of £3,875,000, total income of £5,515,000 and a projected profit of £1,640,000. The funding of the joint ventures is by agreement between the parties. The closing date of each joint venture is four years after their commencement.