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**CRP LEISURE PLC**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 OCTOBER 2001**



CRP LEISURE PLC

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Company Information

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<b>Directors</b>	G Lotto H Franks J Hope
<b>Secretary</b>	M N Cox
<b>Company Number</b>	1800158
<b>Registered Office</b>	c/o Price Firman Prince Consort House, Albert Embankment London SE1 7TJ
<b>Auditors</b>	Messrs Andrew, Steale Chartered Certified Accountants & Registered Auditors 48 Albemarle Street London W1S 4JP

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## DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2001

The directors present their report and the financial statements for the year ended 31 October 2001.

### Statement of 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.

### Results and dividends

The loss for the year after taxation, amounted to £(910) (2000 - £(1,896)).

### Principal activities and review of business

The company's principal activity continues to be that of design, engineering and construction of sets for theatre, opera, product launches and exhibitions. The company has no turnover under the year of review.

### Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	<u>Ordinary shares £0.02p each</u>		<u>Convertible Preference shares of £1</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
G Lotto	-	-	-	-
H Franks	-	-	-	-
J Hope	-	-	-	-

In accordance with the Articles of Association, Mr. H Franks retires by rotation and being eligible offers himself for re-election.

### Share Capital - Substantial Holdings

The company is aware of the following holdings of 3% or more of the issued ordinary share capital

	<u>Ordinary Shares</u> <u>2p each</u>	<u>% of issued share</u> <u>capital as at 8/10/98</u>
MSS Nominees Limited*	4,350,000	12.0
MSTC Nominees Limited*	2,930,373	8.0
Jamar Creative Limited	2,796,531	7.7
Mattson Holdings Limited	2,191,565	6.0
Abasan Investments Limited	2,086,000	5.7
State Street Nominees Limited**	1,573,075	4.3
Anchor Trustees Limited	1,500,000	4.1

The directors are aware of the following information relating to the above shareholdings:

\* The beneficial owner of the shares registered in the names of Mss Nominees Ltd and MSTC Nominees Ltd is Fineight International Inc., which is also the beneficial owner of 304,925 ordinary shares (0.8%) registered in the name

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2001

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of Ebback Nominees Ltd and 250,000 ordinary shares (0.7%) registered in the name of Abasan Investments Limited.

\*\* The trustees of the Mars UK Pension Fund are the beneficial owners of the shares registered in the name of State Street Nominees Limited.

**Auditors**

The auditors, Messrs Andrew, Steale, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 2 September 2002 and signed on its behalf.



M N Cox  
Secretary

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CRP LEISURE PLC**

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We have audited the financial statements of CRP Leisure plc for the year ended 31 October 2001 set out on pages 4 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standard.

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 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.

**Uncertainty relating to Going Concern**

In forming our opinion we have considered the adequacy of the disclosure made in note 14 concerning the Going Concern. Nevertheless the financial statements have been prepared on a going concern basis, the validity of which depends on the continued support of the Loan Stockholders and directors. The financial statements do not include any adjustments which would result from a failure to maintain such support.

**Opinion**

Subject to the above, in our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Messrs Andrew, Steale**



Chartered Certified Accountants & Registered Auditors  
48 Albemarle Street  
London  
W1S 4JP

2 September 2002

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**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 October 2001

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	Note	2001 £	2000 £
Administrative expenses		(890)	(1,896)
<b>OPERATING LOSS</b>	3	(890)	(1,896)
Interest payable	5	(20)	-
<b>LOSS FOR THE YEAR</b>		(910)	(1,896)
<b>LOSS BROUGHT FORWARD</b>		(1,196,869)	(1,194,973)
<b>LOSS CARRIED FORWARD</b>		<u>£ (1,197,779)</u>	<u>£ (1,196,869)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 8 to 11 form part of these financial statements.

CRP LEISURE PLC

**BALANCE SHEET**  
As at 31 October 2001

	Note	£	2001 £	£	2000 £
<b>CURRENT ASSETS</b>					
Debtors	6	65,000		-	
Cash at bank and in hand		1,823		-	
		<u>66,823</u>		<u>-</u>	
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(135,206)</u>		<u>(67,473)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(68,383)</u>		<u>(67,473)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(68,383)</u>		<u>(67,473)</u>
<b>CREDITORS: amounts falling due after more than one year</b>	8		<u>(300,000)</u>		<u>(300,000)</u>
<b>NET LIABILITIES</b>			<u>£ (368,383)</u>		<u>£ (367,473)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		727,508		727,508
Share premium account			101,888		101,888
Profit and loss account			<u>(1,197,779)</u>		<u>(1,196,869)</u>
<b>SHAREHOLDERS' FUNDS - All equity</b>	10		<u>£ (368,383)</u>		<u>£ (367,473)</u>

The financial statements were approved by the board on 2 September 2002 and signed on its behalf.

G Lotto  Director

H Franks

 Director

The notes on pages 8 to 11 form part of these financial statements.



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**CASH FLOW STATEMENT**  
For the year ended 31 October 2001

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	Note	£	2001 £	£	2000 £	£
<b>Net cash inflow from operating activities (Page 7)</b>			<b>1,843</b>			<b>-</b>
<b>Returns on investments and servicing of finance</b>	11		<b>(20)</b>			<b>-</b>
 Cash inflow before use of liquid resources and financing			 <u>1,823</u>			 <u>-</u>
<b>Financing:</b>	11					
Increase in debt			-			-
 <b>Increase in cash in the period</b>			 <u><b>£ 1,823</b></u>			 <u><b>£ -</b></u>

The notes on pages 8 to 11 form part of these financial statements.

**CASH FLOW STATEMENT INFORMATION**  
For the year ended 31 October 2001

	Note	2001	2000
	£	£	£
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating loss		(890)	(1,896)
Increase in debtors		(65,000)	-
Increase in creditors		67,733	1,896
<b>Net cash inflow from operating activities</b>		<b>£ 1,843</b>	<b>£ -</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
	12		
Increase in cash in the period		1,823	-
Change in net debt resulting from cash flows		1,823	-
<b>Net debt at 1 November 2000</b>		<b>(300,000)</b>	<b>(300,000)</b>
<b>Net debt at 31 October 2001</b>		<b>£ (298,177)</b>	<b>£ (300,000)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2001

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax.

**1.3 Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

**2. TURNOVER**

The whole of the turnover is attributable to the one principal activity of the company being design, engineering and construction of sets for theatre, opera, product launches and exhibitions. The company has no turnover under the year of review.

All turnover arose within the United Kingdom

**3. OPERATING LOSS**

The operating loss is stated after charging:

	2001 £	2000 £
Audit fees	881	881
No director received any emoluments (2000 - £Nil)		

**4. STAFF COSTS**

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
Administration	3	3
	3	3

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2001

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**5. INTEREST PAYABLE**

	2001 £	2000 £
On bank loans and overdrafts	£ 20	£ -

**6. DEBTORS**

	2001 £	2000 £
<b>Due within one year</b>		
Other debtors	65,000	-
	£ 65,000	£ -

**7. CREDITORS:****Amounts falling due within one year**

	2001 £	2000 £
Other creditors	130,801	63,068
Accruals and deferred income	4,405	4,405
	£ 135,206	£ 67,473

**8. CREDITORS:****Amounts falling due after more than one year**

	2001 £	2000 £
Bank loans and overdrafts	300,000	300,000
	£ 300,000	£ 300,000

Included within the above are amounts falling due as follows:

**In 2 - 5 years:**

Loan instalments	300,000	300,000
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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2001

**9. CALLED UP SHARE CAPITAL**

	2001 £	2000 £
<b>Authorised</b>		
100,000,000 ordinary shares of £0.02p each	2,000,000	2,000,000
2,700,000 shares of £1 each	2,700,000	2,700,000
	<u>£ 4,700,000</u>	<u>£ 4,700,000</u>
<b>Allotted, called up and fully paid</b>		
36,375,417 ordinary shares of £0.02p each	<u>£ 727,508</u>	<u>£ 727,508</u>

**10. SHAREHOLDERS' FUNDS****Reconciliation of movements on shareholders' funds**

	2001 £	2000 £
Loss for the year	(910)	(1,896)
Opening shareholders' funds	<u>(367,473)</u>	<u>(365,577)</u>
Closing shareholders' funds	<u>£ (368,383)</u>	<u>£ (367,473)</u>

**11. ANALYSIS OF CASH FLOWS FOR HEADINGS  
NETTED IN THE CASH FLOW STATEMENT**

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(20)	-
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>	<u>£ (20)</u>	<u>£ -</u>
<b>Financing</b>		
<b>Net cash inflow from financing</b>	<u>£ -</u>	<u>£ -</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2001

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**12. ANALYSIS OF NET DEBT**

	At 1 Nov 2000 £	Cash flow £	Other changes £	At 31 Oct 2001 £
<b>Net cash:</b>				
Cash at bank and in hand	-	1,823		1,823
	<u>          </u>	<u>          </u>		<u>          </u>
<b>Debt:</b>				
Debt due after 1 year	(300,000)	-	-	(300,000)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	(300,000)	-	-	(300,000)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net debt</b>	£ (300,000)	£ 1,823	£ -	£ (298,177)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**13. RELATED PARTIES**

CRP Leisure is the holding company of Stateone Limited. Stateone Limited has remained dormant as at 31 October, 2001. The investment has been written off in 1997.

**14. GOING CONCERN**

As total liabilities exceed total assets by £368,383, the company's going concern is dependent on its loan stockholders and other creditors, who have agreed to extend their support up to 31 December, 2002.