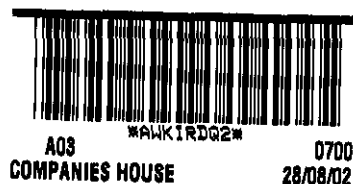


SILKENDALE LIMITED
FINANCIAL STATEMENTS
FOR
31ST OCTOBER 2001



Company Registration Number 02831864

KINNAIRD HILL
Chartered Accountants & Registered Auditors
Anglia House
285 Milton Road
Cambridge

SILKENDALE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2001

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SILKENDALE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The director	M Rapley Esq.
Company secretary	S K Holman Esq
Registered office	25 The Square Retford Notts DN22 6DQ S10 4FN
Auditors	Kinnaird Hill Chartered Accountants & Registered Auditors Anglia House 285 Milton Road Cambridge CB4 1XQ

SILKENDALE LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST OCTOBER 2001

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st October 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property development.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year was as follows:

M Rapley Esq.

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

DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

AUDITORS

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

SILKENDALE LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST OCTOBER 2001

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:

25 The Square

Retford

Notts

DN22 6DQ

S10 4FN

Signed by order of the director



S K HOLMAN ESQ

Company Secretary

Approved by the director on **27 AUG 2002**

SILKENDALE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31ST OCTOBER 2001

We have audited the financial statements on pages 5 to 10 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 DIRECTOR AND THE AUDITORS

As described on page 2, the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 director 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 31st October 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Anglia House
285 Milton Road
Cambridge
CB4 1XQ

27 AUG 2002


KINNAIRD HILL
Chartered Accountants
& Registered Auditors

SILKENDALE LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST OCTOBER 2001**

	Note	2001 £	2000 £
TURNOVER		710,891	171,616
Cost of sales		<u>645,579</u>	<u>449,112</u>
GROSS PROFIT/(LOSS)		65,312	(277,496)
Administrative expenses		8,181	4,968
Other operating income		<u>(33,750)</u>	<u>(38,832)</u>
OPERATING PROFIT/(LOSS)		90,881	(243,632)
Interest receivable		664	326
Interest payable and similar charges		<u>(36,276)</u>	<u>(40,500)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		55,269	(283,806)
Tax on profit/(loss) on ordinary activities	2	<u>(10,000)</u>	204
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		45,269	(283,602)
Balance brought forward		<u>2,446</u>	<u>286,048</u>
Balance carried forward		<u><u>47,715</u></u>	<u><u>2,446</u></u>

The notes on pages 7 to 10 form part of these financial statements.

SILKENDALE LIMITED

BALANCE SHEET

31ST OCTOBER 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Investments	3	250	250
CURRENT ASSETS			
Stocks	4	28,798	94,618
Debtors	5	791,297	697,713
Cash at bank		31,745	6,019
		851,840	798,350
CREDITORS: Amounts falling due within one year	6	(437,959)	(425,555)
NET CURRENT ASSETS		413,881	372,795
TOTAL ASSETS LESS CURRENT LIABILITIES		414,131	373,045
CREDITORS: Amounts falling due after more than one year	7	(366,415)	(370,598)
		47,716	2,447
CAPITAL AND RESERVES			
Called-up equity share capital	9	1	1
Profit and Loss Account		47,715	2,446
SHAREHOLDER'S FUNDS		47,716	2,447

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 and signed by the director on **27 AUG 2002**


.....
M RAPLEY ESQ.

The notes on pages 7 to 10 form part of these financial statements.

SILKENDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2001

1. ACCOUNTING POLICIES

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).

Consolidation

The company was, at the end of the year, 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.

Turnover

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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.

Investment in associated undertaking

The company's associated undertaking is carrying out a development project as nominee and bare trustee for its shareholders. The company's share of the transactions of the associated undertaking have been incorporated in these accounts as though they were transactions of the company.

2. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation Tax based on the results for the year at 20% (2000 - 20%)	10,000	-
Adjustment in respect of previous years:		
Corporation Tax	-	(204)
	<u>10,000</u>	<u>(204)</u>

SILKENDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2001

3. INVESTMENTS

Associated undertakings

	£
COST	
At 1st November 2000 and 31st October 2001	<u>250</u>
NET BOOK VALUE	
At 31st October 2001	<u>250</u>
At 31st October 2000	<u>250</u>

Details of investments in which the company holds 25% or more of the nominal value of any class of share are as follows:

Name of company and nature of business	Country of registration	Holding	Proportion of voting rights and shares held	Period end
Vexland Limited	England and Wales	Ordinary shares	50%	31st October
Festival Leisure Park Limited	England and Wales	Ordinary shares	25% Held by Vexland Limited	30th April

Vexland Limited is carrying out a development project as nominee and bare-trustee for Silkendale Limited and its fellow shareholder. As a result, Silkendale Limited has included its share of the transactions of the development project in its accounts.

The accounts for Festival Leisure Park Limited to 30th April 2001 have not yet been finalised. The accounts to 30th April 2000 show a profit of £138,582 for the year and a surplus of capital and reserves of £11,958.

4. STOCKS

	2001 £	2000 £
Work in progress	<u>28,798</u>	<u>94,618</u>

5. DEBTORS

	2001 £	2000 £
Trade debtors	150,000	-
Amounts owed by group undertakings	618,044	694,728
VAT recoverable	15,735	2,936
Other debtors	7,518	49
	<u>791,297</u>	<u>697,713</u>

SILKENDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2001

6. CREDITORS: Amounts falling due within one year

	2001		2000
	£	£	£
Bank loans and overdrafts		97,178	217,590
Other creditors including:			
Corporation Tax	10,000		-
Other creditors	<u>219,545</u>		<u>177,714</u>
		229,545	177,714
Accruals and deferred income		<u>111,236</u>	<u>30,251</u>
		<u>437,959</u>	<u>425,555</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2001	2000
	£	£
Bank loans and overdrafts	<u>97,178</u>	<u>217,590</u>

7. CREDITORS: Amounts falling due after more than one year

	2001	2000
	£	£
Bank loans and overdrafts	<u>366,415</u>	<u>370,598</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2001	2000
	£	£
Bank loans and overdrafts	<u>366,415</u>	<u>370,598</u>

Included within creditors falling due after more than one year is an amount of £181,152 (2000 - £210,514) in respect of liabilities, repayable by instalments, which fall due for payment after more than five years from the balance sheet date.

SILKENDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2001

8. RELATED PARTY TRANSACTIONS

During the year the company has received management services from its ultimate parent undertaking, Scotfield Limited, to the value of £75,000 (2000 - £225,000). At the year end the amount owing by Scotfield Limited was £618,044 (2000 - £694,728).

Vexland Limited is carrying out a development project as nominee and bare-trustee for the company and its fellow shareholder, Marcol Limited. The company and Marcol Limited both own 50% of Vexland Limited. As a result the company has recorded its share of the transactions of Vexland Limited in its accounts.

At the year end Vexland Limited owed £132,038 (2000 - £121,750) to Marcol Limited and £136,771 (2000- £121,750) to Scotfield Limited. Silkendale Limited has recorded its share of these balances, £134,404 (2000 - £121,750), in its accounts.

9. SHARE CAPITAL

Authorised share capital:

	2001	2000
	£	£
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	<u>1</u>	<u>1</u>

10. ULTIMATE PARENT COMPANY

The ultimate parent undertaking of this company is Scotfield Limited, a company registered in England and Wales.

11. CONTROLLING PARTIES

The controlling party is the Rothschild Trust (Schweiz) A G, a company incorporated in Switzerland. Rothschild Trust (Schweiz) A G is the trustee of a Trust which controls the majority of the parent company's shares.

SILKENDALE LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31ST OCTOBER 2001

**The following pages do not form part of the statutory financial statements
which are the subject of the auditors' report on page 4.**