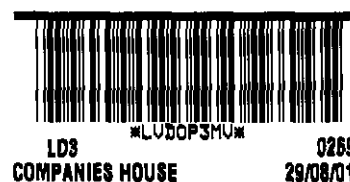


SILKENDALE LIMITED
FINANCIAL STATEMENTS
FOR
31ST OCTOBER 2000

Company Registration Number 2831864



KINNAIRD HILL
Chartered Accountants & Registered Auditors
Anglia House
285 Milton Road
Cambridge
CB4 1XQ

SILKENDALE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2000

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SILKENDALE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST OCTOBER 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st October 2000.

PRINCIPAL ACTIVITIES

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

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

M Rapley Esq.
S K Holman Esq.

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

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors 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 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. The directors 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.

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 2000

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

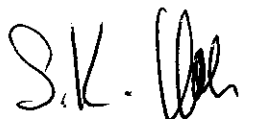
Retford

Notts

DN22 6DQ

S10 4FN

Signed by order of the director



S K HOLMAN ESQ
Company Secretary

Approved by the director on 20th August 2001

SILKENDALE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31ST OCTOBER 2000

We have audited the financial statements on pages 4 to 9 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 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

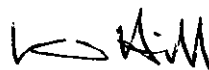
BASIS OF AUDIT OPINION

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 as at 31st October 2000 and of the loss 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

KINNAIRD HILL
Chartered Accountants
& Registered Auditors

2.0..AUG..2001

SILKENDALE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST OCTOBER 2000

	Note	Year to 31 Oct 00 £	Period from 1 May 98 to 31 Oct 99 £
TURNOVER		171,616	7,367,513
Cost of sales		449,112	7,137,424
GROSS (LOSS)/PROFIT		(277,496)	230,089
Administrative expenses		4,968	43,101
Other operating income		(38,832)	(54,869)
OPERATING (LOSS)/PROFIT	2	(243,632)	241,857
Interest receivable		326	5,244
Interest payable		(40,500)	(107,343)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(283,806)	139,758
Tax on (loss)/profit on ordinary activities	3	204	(33,547)
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(283,602)	106,211
Balance brought forward		286,048	179,837
Balance carried forward		2,446	286,048

SILKENDALE LIMITED**BALANCE SHEET****31ST OCTOBER 2000**

	Note	2000 £	1999 £
FIXED ASSETS			
Investments	4	250	250
CURRENT ASSETS			
Stocks	5	94,618	36,357
Debtors	6	697,713	1,000,307
Cash at bank		6,019	5,797
		<u>798,350</u>	<u>1,042,461</u>
CREDITORS: Amounts falling due within one year	7	<u>(425,555)</u>	<u>(384,150)</u>
NET CURRENT ASSETS		<u>372,795</u>	<u>658,311</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>373,045</u>	<u>658,561</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(370,598)</u>	<u>(372,512)</u>
		<u>2,447</u>	<u>286,049</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	1	1
Profit and Loss Account		<u>2,446</u>	<u>286,048</u>
SHAREHOLDER'S FUNDS		<u>2,447</u>	<u>286,049</u>

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 20th August 2001


M RAPLEY ESQ.

SILKENDALE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2000****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. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	Year to 31 Oct 00	Period from 1 May 98 to 31 Oct 99
	£	£
Directors' emoluments	-	-

SILKENDALE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2000****3. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES**

	Year to 31 Oct 00 £	Period from 1 May 98 to 31 Oct 99 £
Corporation Tax based on the results for the year at 20% (1999 - 22%)	-	33,500
Adjustment in respect of previous years:		
Corporation Tax	(204)	47
	<u>(204)</u>	<u>33,547</u>

4. INVESTMENTS**Associated undertakings**

	£
COST	
At 1st November 1999 and 31st October 2000	<u>250</u>
NET BOOK VALUE	
At 31st October 2000	<u>250</u>
At 31st October 1999	<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 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.

SILKENDALE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2000****5. STOCKS**

	2000	1999
	£	£
Work in progress	<u>94,618</u>	<u>36,357</u>

6. DEBTORS

	2000	1999
	£	£
Trade debtors	-	5,741
Amounts owed by group undertakings	694,728	953,073
Amounts owed by undertakings in which the company has a participating interest	-	26,875
VAT recoverable	2,936	14,617
Other debtors	49	1
	<u>697,713</u>	<u>1,000,307</u>

7. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	217,590	220,755
Other creditors including taxation:		
Corporation Tax	-	33,500
Other creditors	<u>177,714</u>	<u>101,472</u>
	177,714	134,972
Accruals and deferred income	<u>30,251</u>	<u>28,423</u>
	<u>425,555</u>	<u>384,150</u>

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

	2000	1999
	£	£
Bank loans and overdrafts	<u>217,590</u>	<u>220,755</u>

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

	2000	1999
	£	£
Bank loans and overdrafts	<u>370,598</u>	<u>372,512</u>

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

	2000	1999
	£	£
Bank loans and overdrafts	<u>370,598</u>	<u>372,512</u>

SILKENDALE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2000****9. RELATED PARTY TRANSACTIONS**

During the year the company has received management services from its ultimate parent undertaking, Scotfield Limited, to the value of £225,000 (1999 - £1,735,000). At the year end the amount owing by Scotfield Limited was £573,027 (1999 - £953,073).

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

At the year end Vexland Limited is owed £Nil (1999 - £53,750), by Festival Leisure Park Limited, Silkendale Limited has recorded its share of this balance, £Nil (1999 - £26,875), in its accounts.

At the year end Vexland Limited owed £121,750 (1999 - £53,750), to Marcol Limited and £121,750 (1999 - £53,750) to Scotfield Limited. Silkendale Limited has recorded its share of these balances, £121,750 (1999 - £53,750), in its accounts.

During the year Vexland Limited has paid management services to Scotfield Limited to the value of £Nil (1999 - £114,202) and Marcol Limited to the value of £Nil (1999 - £114,202). Marcol Limited owns 50% of Vexland Limited. Silkendale Limited has recorded its share of these transactions in its accounts.

10. SHARE CAPITAL**Authorised share capital:**

	2000	1999
	£	£
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital	<u>1</u>	<u>1</u>

11. ULTIMATE PARENT COMPANY

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

12. CONTROLLING PARTIES

The controlling party is Arrow Nominees Inc, a company incorporated in British Virgin Islands. Arrow Nominees Inc are trustees of a trust which owns the majority of shares in the company's parent undertaking, Scotfield Limited.