

TIMELOAD HOLDINGS LIMITED

COMPANY NUMBER
3914735

ACCOUNTS
for the six month period ended
30 June 2003



TIMELOAD HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the six month period ended 30 June 2003.

CHANGE OF NAME

On 28 March 2003 the company changed its name from Timeload Holdings Limited to COE Group Limited. On 28 May 2003 the company changed its name from COE Group Limited to Timeload Holdings Limited.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a holding and services company providing support to its subsidiary companies and expects to remain as such, with no trading activities for the foreseeable future.

RESULTS AND DIVIDENDS

The net profit for the previous year, resulted from the release of a retention provision relating to the disposal of certain fellow subsidiary companies and business in the previous year, was £150,000.

The company did not trade during the six month period ended 30 June 2003. The directors are unable to recommend the payment of a dividend in respect of the six month period ended 30 June 2003.

DIRECTORS

The directors who served during the period were:

D. Eykel

G. P. J. Dudley (resigned 28 May 2003)

B. Wadsworth (appointed 28 May 2003)

DIRECTORS' INTERESTS

The company is a wholly-owned subsidiary of COE Group plc (formerly Timeload plc) and consequently none of the directors have any interest in the shares of the company.

Mr P Dudley was not interested at any time in the shares of the company or in the shares or share options of the ultimate parent company, COE Group plc.

D. Eykel and B. Wadsworth are directors of COE Group plc (formerly Timeload plc), the ultimate holding company, and, as permitted, their interests in the shares of COE Group plc are disclosed in the financial statements of that company.

INDEPENDENT AUDITORS

Deloitte & Touche resigned as auditors on 16 June 2003 and PricewaterhouseCoopers LLP, were appointed as auditors by the directors to fill a casual vacancy. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

APPROVED BY THE BOARD and signed on its behalf :



B Wadsworth
Director
8 October 2003

REPORT OF THE DIRECTORS**DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS**

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 the year. 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 confirm that the financial statements comply with the above requirements.

The directors are responsible for maintaining 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.



B Wadsworth
Director
8 October 2003

TIMELOAD HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements which comprise the profit and loss account, the balance sheets and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

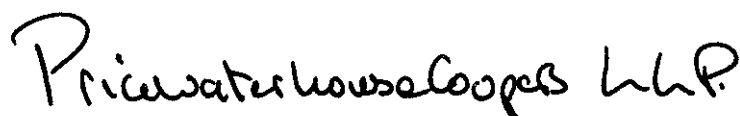
Basis of audit opinion

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 affairs of the Company at 30 June 2003 and of its profit for the six month period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds
8 October 2003

PROFIT AND LOSS ACCOUNT

for the six month period ended 30 June 2003

	Note	Six month period ended 30 June 2003	Year ended 31 December 2002
OPERATING (LOSS) / PROFIT	1	(8,000)	150,000
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(8,000)</u>	<u>150,000</u>
Tax on loss / profit on ordinary activities	2	50,000	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>42,000</u>	<u>150,000</u>
Balance brought forward (deficit)		(9,687,819)	(9,837,819)
BALANCE CARRIED FORWARD (DEFICIT)		<u><u>£ (9,645,819)</u></u>	<u><u>£ (9,687,819)</u></u>

The results are derived from discontinued activities.

There are no recognised gains and losses other than those shown in the profit and loss account above.

BALANCE SHEET

30 June 2003

	Note	30 June 2003 2003	31 December 2002 2002
FIXED ASSETS			
Investments in subsidiaries	3	-	-
CURRENT ASSETS			
Debtors	4	-	8,000
CREDITORS - amounts falling within one year			
	5	2,567,338	2,617,338
NET CURRENT LIABILITIES		(2,567,338)	(2,609,338)
NET LIABILITIES		<u>£ (2,567,338)</u>	<u>£ (2,609,338)</u>
Representing:			
CAPITAL AND RESERVES			
Called up share capital	6	93,155	93,155
Share premium account		6,938,556	6,938,556
Capital redemption reserve		46,770	46,770
Profit and loss account		(9,645,819)	(9,687,819)
SHAREHOLDERS' DEFICIT - equity interests		<u>£ (2,567,338)</u>	<u>£ (2,609,338)</u>

The financial statements on pages 4 to 8 were approved by the Board on 8 October 2003 and were signed on its behalf by:



B Wadsworth
Director

ACCOUNTING POLICIES

for the period 1 January 2003 to 30 June 2003

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounting policies have been applied consistently throughout the period and during the preceding year.

CONSOLIDATED FINANCIAL STATEMENTS

The company has taken advantage of Section 228 of the Companies Act 1985 and has not produced consolidated financial statements because the company is a wholly-owned subsidiary of another company incorporated in Great Britain.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost less any provision for impairment.

TAXATION

The charge for taxation is based on the result for the period. In accordance with FRS 19, deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is recognised in respect of tax losses to the extent that they are regarded as recoverable on the basis that it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

CASH FLOW STATEMENT AND RELATED PARTY TRANSACTIONS

Under the provisions of Financial Reporting Standard No. 1 (Revised), the company has not presented a cash flow statement because its ultimate holding company has prepared consolidated financial statements which include the company and which contain a cash flow statement.

Under the provisions of Financial Reporting Standard No. 8, the company has not disclosed details of inter-group transactions because its ultimate holding company has prepared consolidated financial statements which include the company and are available to the public.

NOTES TO THE FINANCIAL STATEMENTS
for the six month period ended 30 June 2003

1 OPERATING (LOSS)/PROFIT

Six month period ended 30 June 2003	Year ended 31 December 2002
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This is stated after charging/(crediting):

Exceptional items:

Release of disposal retention provision

Provisions against debt due from subsidiary company

£	-	£	(150,000)
£	8,000	£	-

Auditors' remuneration for the current and prior period has been borne by the ultimate holding company.

The directors received no remuneration for their services to the company during the period (2002: £Nil).
There were no employees other than the directors in the current period and prior year.

All items within operating profit/(loss) relate to administrative expenses.

Comparative figures in these notes concern either the year ended 31 December 2002 or as at 31 December 2002 as appropriate.

2 TAXATION

Six month period ended 30 June 2003	Year ended 31 December 2002
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The charge or credit for taxation comprises:

Current year charge

Deferred tax

50,000	-
-	-
£ 50,000	£ -

Factors affecting the taxation charge or credit for the year are as follows:

(Loss)/profit on ordinary activities before tax

£ (8,000)	£ 150,000
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UK corporation tax at 30% (2002: 30%)

Expenses not deductible/taxable for tax purposes

Overprovision in earlier periods

(2,400)	45,000
2,400	(45,000)
50,000	-

Current tax for the period

£ 50,000	£ -
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3 INVESTMENTS IN SUBSIDIARIES

The cost of the company's investments in subsidiary undertakings at 30 June 2003 amounted to £8,664,658 (31 December 2002: £8,664,658). The company has fully provided against the cost of its investments in subsidiary undertakings in prior years.

The company's material subsidiaries at 30 June 2003 were:

Company	Country of Registration	% Holding	Business
Timeload (UK) Limited	England	100%	Investment company
Timeload Local Limited	England	100%	Holding company

TIMELOAD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
 for the six month period ended 30 June 2003

4 DEBTORS	30 June 2003	31 December 2002
Other debtors	£ -	£ 8,000
Other debtors were paid in full during March 2003 to a fellow subsidiary undertaking.		
5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30 June 2003	31 December 2002
Amount due to ultimate holding company	2,567,338	2,567,338
Corporation tax	-	50,000
	£ 2,567,338	£ 2,617,338
6 CALLED UP SHARE CAPITAL	30 June 2003	31 December 2002
Authorised: 15,570,520,000 ordinary shares of 0.01p each	£ 1,557,052	£ 1,557,052
Allotted: 931,546,001 ordinary shares of 0.01p each	£ 93,155	£ 93,155
7 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	30 June 2003	31 December 2002
Retained profit for the period	42,000	150,000
Shareholders' funds at beginning of period - deficit	(2,609,338)	(2,759,338)
Shareholders' funds at end of period - deficit	£ (2,567,338)	£ (2,609,338)

8 ULTIMATE HOLDING AND CONTROLLING COMPANY

The company's ultimate holding and controlling company is COE Group plc , which heads the smallest and largest group in which the financial statements are consolidated. These consolidated financial statements are available to the public and may be obtained from their registered office at Photon House , Percy Street , Leeds LS12 1EG.

9 GOING CONCERN

The company's balance sheet at 30 June 2003 showed net liabilities. The only creditor however is the ultimate holding company. The directors of Coe Group plc have confirmed that they will not take action for settlement of their debt unless there are available suitable resources for payment.