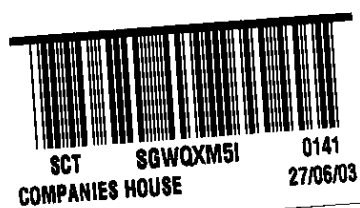


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ROK DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2002

Company no SC 154751

ROK DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2002

Company registration number: SC 154751

Registered office: Unit 23
9 Munro Road
Springkerse Industrial Estate
Stirling
FK7 7UU

Directors: Mr J P Quinn
Mr J A Cheetham

Secretary: Mr J A Cheetham

Bankers: The Royal Bank of Scotland plc
Stirling Pitt Terrace Branch
2 Pitt Terrace
Stirling
FK8 2EX

Solicitors: Kerr and Co.
10 Albert Place
Stirling
FK8 2QL

Auditors: Grant Thornton
Registered auditors
Chartered accountants

ROK DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2002

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ROK DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 2002.

Principal activities

The company is principally engaged in the letting and management of industrial property.

Business review

There was a profit for the year after taxation amounting to £12,129 (2001: profit £35,746). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below.

The interests of the directors and their families in the shares of the company as at 30 June 2002 and 1 July 2001, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	30 June 2002	1 July 2001
Mr J P Quinn	-	-
Mr J A Cheetham	-	-

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

Fixed assets

During the year certain investment properties were revalued and the revised values incorporated in the financial statements. The surplus of £87,500 arising from the revaluations has been transferred to reserves.

Directors' responsibilities for the financial statements

Company law in the United Kingdom 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ROK DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'J. Allen', is written over the printed name 'J. Allen'.

Director

Date 12/12/02

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ROK DEVELOPMENTS LIMITED**

We have audited the financial statements of ROK Developments Limited for the year ended 30 June 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses and notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with 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.

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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Date 19/12/02

ROK DEVELOPMENTS LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention except that leasehold investment properties are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No. 19, the company's properties are held for long-term investment and are included in the balance sheet at their open market values. The surpluses or deficits on revaluation of such properties are transferred to the investment property revaluation reserve. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from the statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

ROK DEVELOPMENTS LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2002

	Note	2002 £	2001 £
Turnover	1	189,327	170,162
Cost of sales		(135,692)	(125,804)
Gross profit		53,635	44,358
Administrative expenses		(41,381)	(4,597)
Operating profit		12,254	39,761
Net interest	2	(125)	(1,445)
Profit on ordinary activities before taxation	1	12,129	38,316
Tax on profit on ordinary activities	4	-	(2,570)
Profit transferred to reserves	11	12,129	35,746

There were no recognised gains or losses other than the profit for the financial year.

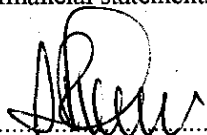
The accompanying accounting policies and notes form an integral part of these financial statements.

ROK DEVELOPMENTS LIMITED

BALANCE SHEET AT 30 JUNE 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	6	800,000	750,000
		<u>800,000</u>	<u>750,000</u>
Current assets			
Debtors	7	92,460	53,007
Cash at bank and in hand		2,641	-
		<u>95,101</u>	<u>53,007</u>
Creditors: amounts falling due within one year	8	<u>(57,544)</u>	<u>(65,079)</u>
Net current assets		<u>37,557</u>	<u>(12,072)</u>
Total assets less current liabilities		<u>837,557</u>	<u>737,928</u>
Capital and reserves			
Called up share capital	10	2	2
Revaluation reserve	11	800,000	750,000
Profit and loss account	11	37,555	(12,074)
Shareholders' funds	12	<u>837,557</u>	<u>737,928</u>

The financial statements were approved by the Board of Directors on 12th Dec 2002


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Director

The accompanying accounting policies and notes form an integral part of these financial statements.

ROK DEVELOPMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 30 June 2002

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2002 £	2001 £
Profit for the financial year	12,129	35,746
Unrealised surplus on revaluation of investment properties	87,500	-
Total recognised gains and losses for the year	99,629	35,746

The accompanying accounting policies and notes form an integral part of these financial statements.

ROK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2002

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation relate to one continuing activity, the letting and management of industrial property.

The profit on ordinary activities is stated after:	2002 £	2001 £
Auditors' remuneration	1,320	1,200
Depreciation and amortisation: Tangible fixed assets, leasehold investment properties	<u>37,500</u>	<u>-</u>

2 NET INTEREST

	2002 £	2001 £
On overdrafts	<u>125</u>	<u>1,445</u>

3 DIRECTORS AND EMPLOYEES

The directors did not receive remuneration in the year (2001: nil), and did not participate in defined contribution pension schemes (2001: nil).

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit represents:

	2002 £	2001 £
UK Corporation tax at 19.75% (2001: 20%)	9,802	2,570
Group relief	<u>(9,802)</u>	<u>-</u>
	<u>-</u>	<u>2,570</u>

ROK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2002

5 FACTORS AFFECTING THE TAX CHARGE

The tax assessed for the period is higher than the small companies' rate of corporation tax in the UK of 19.75% (2001: 20%). The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before tax	12,129	38,316
Profit on ordinary activities multiplied by rate of corporation tax	2,395	7,663
Effect of:		
Expenses not deductible for tax purposes	-	72
Utilisation of losses	-	(5,165)
Depreciation in excess of capital allowances	7,407	-
Group relief	(9,802)	-
	-	2,570

6 TANGIBLE FIXED ASSETS

	Investment property £
Cost or valuation	
At 1 July 2001	750,000
Surplus on revaluation	50,000
At 30 June 2002	800,000
Depreciation	
Provided in the year	37,500
Eliminated on revaluation	(37,500)
Net book amount at 30 June 2002	800,000
Net book amount at 30 June 2001	750,000

The investment property is located at 9 Munro Road, Stirling and leased from a third party. It is valued at open market value on a multiple of the rental income. The most recent valuation was performed on 29 October 2002 by J&E Shepherd, Chartered Surveyors. The property has no historic cost value.

ROK DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2002

7 DEBTORS

	2002 £	2001 £
Trade debtors	13,339	13,886
Amounts owed by group undertakings	60,000	20,000
Prepayments and accrued income	19,121	19,121
	<u>92,460</u>	<u>53,007</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank overdrafts	-	18,135
Trade creditors	2,188	71
Corporation tax	7,969	10,539
Social security and other taxes	2,212	3,444
Accruals and deferred income	45,175	32,890
	<u>57,544</u>	<u>65,079</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

9 DEFERRED TAXATION

Potential but unprovided deferred tax in relation to the revaluation of properties:

	Amount unprovided	
	2002 £	2001 £
Other timing differences - on revaluation surpluses	<u>240,000</u>	<u>225,000</u>

10 SHARE CAPITAL

	2002 £	2001 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

ROK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2002

11 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 July 2001	750,000	(12,074)
Retained profit for the year	-	12,129
Surplus on revaluation of assets	87,500	-
Transfer from revaluation reserve to profit and loss account	(37,500)	37,500
At 30 June 2002	<u>800,000</u>	<u>37,555</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	12,129	35,746
Other recognised gains and losses	87,500	-
Net increase in shareholders' funds	<u>99,629</u>	<u>35,746</u>
Shareholders' funds at 1 July 2001	737,928	702,182
Shareholders' funds at 30 June 2002	<u>837,557</u>	<u>737,928</u>

13 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 2002 or 30 June 2001.

14 CONTINGENT LIABILITIES

The company has unlimited cross guarantees with ROK Holdings Limited and its subsidiary undertakings. At 30 June 2002 the bank borrowings of the group amounted to £3,879,431 (2001: £4,371,719).

The company also has a contingent liability in respect of deferred tax.

ROK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2002

15 LEASING COMMITMENTS

Operating lease payments amounting to £132,000 (2001: £120,000) are due within one year. The leases to which these amounts relate expire as follows:

	2002 Land and buildings £	2001 Land and buildings £
In five years or more	<u>132,000</u>	<u>120,000</u>

16 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of ROK Holdings Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group.

17 ULTIMATE PARENT UNDERTAKING

ROK Holdings Limited is this company's controlling related party by virtue of its 100% ownership of the company. The ultimate controlling related party is Mr J P Quinn as a result of his 70% shareholding in ROK Holdings Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by ROK Holdings Limited which is registered in Scotland.