

Sapphire Group Limited

Report and Financial Statements

Year Ended

31 December 2002



SAPPHIRE GROUP LIMITED

Annual report and financial statements for the year ended 31 December 2002

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Directors

SR Page
R Jeynes

Secretary and registered office

KRB (Secretaries) Limited, 16-20 Victoria Road, Romford, Essex, RM1 2JH

Company

2642975

SAPPHIRE GROUP LIMITED

Report of the directors for the year ended 31 December 2002

The directors present their report together with the financial statements for the year ended 31 December 2002.

Principal activities and future developments

The company has not traded during the year and expects to remain dormant for the foreseeable future.

Directors

The directors of the company during the year were:

S R Page
R Jeynes

According to the register kept by the company pursuant to Section 325 of the Companies Act 1985, the directors had the following interests in the share capital of the ultimate parent company:

Shares	2002	2001
S R Page - Sapphire International Limited – A ordinary shares	2,746,851	2,746,851

SAPPHIRE GROUP LIMITED

Report of the directors for the year ended 31 December 2002 (continued)

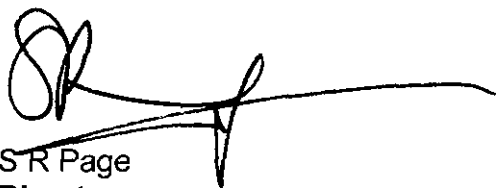
Directors' responsibilities

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;
- 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.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'S R Page', with a long horizontal line extending to the right.

S R Page
Director

Date 8th July 2003

SAPPHIRE GROUP LIMITED

Balance sheet at 31 December 2002

	Note	2002 £'000	2001 £'000
Net current assets		-	-
Net assets		-	-
Capital and reserves			
Called up share capital	2	137	137
Share premium account	3	241	241
Profit and loss account	3	(378)	(378)
Shareholders' funds –equity	3	-	-

For the year ended 31 December 2002 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The financial statements were approved by the Board on 8th July 2003.



S R Page
Director

The notes on pages 4 to 5 form part of these financial statements.

SAPPHIRE GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002

1. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

2. Share capital

	2002 No.	Authorised 2001 No.	2002 £,000	2001 £,000
£1 ordinary shares	250,000 =====	250,000 =====	250 =====	250 =====

	Allotted, called up and fully paid			
	2002 No.	2001 No.	2002 £,000	2001 £,000
£1 ordinary shares	137,329 =====	137,329 =====	137 =====	137 =====

SAPPHIRE GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002
(continued)

3. Reconciliation of movements in shareholders' funds

	Share Capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Shareholders' funds at 1 January 2002	137	241	(378)	-
Profit/(loss) for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' fund at 31 December 2002	137	241	(378)	-
	=====	=====	=====	=====

4. Ultimate parent undertaking

At 31 December 2002 the company's immediate and ultimate parent company was Sapphire International Limited, a company registered in England and Wales.