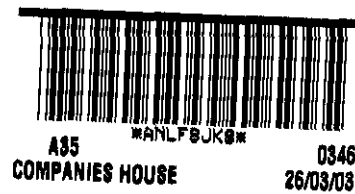


Report of the Director and
Financial Statements for the Year Ended 30 September 2002
for
KMJ LIMITED



Tindle Williamson, Chartered Accountants
Coliseum Building
Whitley Road
Whitley Bay NE26 2TE

KMJ LIMITED

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for the Year Ended 30 September 2002

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KMJ LIMITED

Company Information
for the Year Ended 30 September 2002

DIRECTOR: K Holford

SECRETARY: J Holford

REGISTERED OFFICE: 88 Fenham Hall Drive
Newcastle Upon Tyne
NE4 9XA

REGISTERED NUMBER: 2255388 (England and Wales)

ACCOUNTANTS: Tindle Williamson, Chartered Accountants
Coliseum Building
Whitley Road
Whitley Bay NE26 2TE

KMJ LIMITED

Report of the Director
for the Year Ended 30 September 2002

The director presents his report with the financial statements of the company for the year ended 30 September 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property management and development.

DIRECTORS

The directors during the year under review were:

K Holford

M Holford

- resigned 1.2.02

The beneficial interest of the director holding office on 30 September 2002 in the issued share capital of the company was as follows:

	30.9.02	1.10.01
Ordinary £1 shares		
K Holford	1,000	4

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

..... J Holford
J Holford - SECRETARY

Dated: 21/3/03

KMJ LIMITED**Profit and Loss Account**
for the Year Ended 30 September 2002

		30.9.02	30.9.01
	Notes	£	£
TURNOVER	2	15,319	66,030
Administrative expenses		(7,501)	(18,580)
OPERATING PROFIT	3	7,818	47,450
Interest receivable and similar income		125	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,943	47,450
Tax on profit on ordinary activities	4	153	(8,270)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		8,096	39,180
Extraordinary items after taxation	5	-	4,892
PROFIT FOR THE FINANCIAL YEAR		8,096	44,072
Dividends	6	(15,000)	-
		(6,904)	44,072
Retained profit brought forward		75,092	31,020
RETAINED PROFIT CARRIED FORWARD		£68,188	£75,092

The notes form part of these financial statements

KMJ LIMITED**Balance Sheet****30 September 2002**

		30.9.02	30.9.01
	Notes	£	£
FIXED ASSETS:			
Investments	7	30,000	30,000
CURRENT ASSETS:			
Debtors	8	41,060	42,215
Cash at bank and in hand		10,404	96,174
		51,464	138,389
CREDITORS: Amounts falling due within one year	9	(7,384)	(88,396)
NET CURRENT ASSETS:		44,080	49,993
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£74,080</u>	<u>£79,993</u>
CAPITAL AND RESERVES:			
Called up share capital	10	1,000	9
Revaluation reserve	11	4,892	4,892
Profit and loss account		68,188	75,092
SHAREHOLDERS' FUNDS:		<u>£74,080</u>	<u>£79,993</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2002.

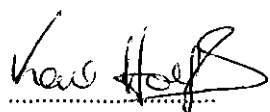
The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



K Holford - DIRECTOR

Approved by the Board on 21/3/03

The notes form part of these financial statements

KMJ LIMITED

Notes to the Financial Statements **for the Year Ended 30 September 2002**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. TURNOVER

Turnover represents rents receivable excluding value added tax.

3. OPERATING PROFIT

The operating profit is stated after charging:

	30.9.02	30.9.01
	£	£
Directors' emoluments and other benefits etc	<u>5,850</u>	<u>14,650</u>

4. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	30.9.02	30.9.01
	£	£
Current tax:		
UK corporation tax	397	8,270
Taxation previous year	<u>(550)</u>	<u>-</u>
Total current tax	<u>(153)</u>	<u>8,270</u>
Tax on profit on ordinary activities	<u>(153)</u>	<u>8,270</u>

UK corporation tax has been charged at 10% (2001 - 20%).

5. EXTRAORDINARY ITEMS

	30.9.02	30.9.01
	£	£
Income:		
Revaluation Reserve release	<u>-</u>	<u>4,892</u>

6. DIVIDENDS

	30.9.02	30.9.01
	£	£
Final	<u>15,000</u>	<u>-</u>

KMJ LIMITED**Notes to the Financial Statements
for the Year Ended 30 September 2002****7. FIXED ASSET INVESTMENTS**

	£
COST OR VALUATION:	
At 1 October 2001	
and 30 September 2002	<u>30,000</u>
NET BOOK VALUE:	
At 30 September 2002	<u><u>30,000</u></u>
At 30 September 2001	<u><u>30,000</u></u>

Cost or valuation at 30 September 2002 is represented by:

	£
Valuation in 1997	<u><u>30,000</u></u>

If the property had not been revalued it would have been included at the following historical cost:

	30.9.02	30.9.01
	£	£
Cost	<u><u>25,108</u></u>	<u><u>25,108</u></u>

The property was valued on an open market basis on 5 August 1997 by professional valuers.

	30.9.02	30.9.01
	£	£
Unlisted investments	<u><u>30,000</u></u>	<u><u>30,000</u></u>

The property was revalued, on an open market basis, on 5 August 1997. Since then, two storeys have been disposed of. The remaining storey, being the ground floor, is shown at one third of the August 1997 valuation, which related to the complete building.

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.9.02	30.9.01
	£	£
Other debtors	<u><u>41,060</u></u>	<u><u>42,215</u></u>

KMJ LIMITED**Notes to the Financial Statements
for the Year Ended 30 September 2002****9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.9.02	30.9.01
	£	£
Directors current accounts	164	-
Other creditors	1,800	1,800
Director's current account	-	72,805
Social security & other taxes	-	498
Value Added Tax	223	223
Taxation	397	8,270
Accrued expenses	4,800	4,800
	<u>7,384</u>	<u>88,396</u>

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.9.02	30.9.01
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.9.02	30.9.01
			£	£
1,000	Ordinary	£1	1,000	9
(30.9.01 - 9)			<u> </u>	<u> </u>

11. REVALUATION RESERVE

	30.9.02	30.9.01
	£	£
Balance	<u>4,892</u>	<u>4,892</u>

12. RELATED PARTY DISCLOSURES

The Director - K Holford - uses a current account with the company to record amounts due to them by the company. At 30 September 2002 the balance was: K Holford (£14,836) (2001: £36,345).

The company rents property to The Diving Centre (Newcastle) Ltd., a company under common control. That rent was £15,319 for the year (2001: £15,830).

At 30 September 2002 the company owed £1,800 to The Diving Centre (Newcastle) Ltd. (2001: £1,800). This is included in Creditors.

The Diving Centre (Newcastle) Ltd. owes the company £41,060 (2001: £42,215) being an outstanding loan. This is included in Other Debtors.