

**BIDTIMES PLC**  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
28 FEBRUARY 2003

# BIDTIMES PLC

## COMPANY INFORMATION

For the period ended 28 February 2003

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Company registration number:	3934451
Registered office:	Meriden House 6 Great Cornbow Halesowen West Midlands B63 3AB
Non-executive Chairman:	Brian S North
Managing Director:	Russell W Stevens
Non-executive Directors:	N Brent Fitzpatrick Richard J Griffiths
Secretary:	Russell W Stevens
Bankers:	Bank of Scotland plc 124 Colmore Row Birmingham B3 3AU
Solicitors:	Eversheds 115 Colmore Row Birmingham B3 3AL
Auditors:	Grant Thornton Registered Auditors Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ
Registrars:	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Nominated Adviser:	John East & Partners Limited Crystal Gate 28-30 Worship Street London EC2A 2AH
Broker:	Seymour Pierce Limited Bucklersbury House 3 Queen Victoria Street London EC4N 8EL

# BIDTIMES PLC

For the period ended 28 February 2003

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# **BIDTIMES PLC**

## **CHAIRMAN'S STATEMENT**

For the period ended 28 February 2003

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I am pleased to present my Chairman's statement for Bidtimes PLC for the eighteen month period to 28 February 2003.

### **Strategy**

During the period the company's strategy was changed to that of an investment company which, together with the investment in SRS Technology Group Plc ("SRS") via the acquisition of Firefly Securities, was approved at an extraordinary general meeting of the company on 11 June 2002.

During the period the company has made investments in the casino and public house sectors, both of which are asset-backed, which we expect will show significant capital growth in the medium term. Whilst the board believes both of these investments increased in value in the period the directors have adopted a prudent basis of valuation for the company's investment portfolio, being that of the lower of cost and net realisable value.

### **Results**

During the eighteen month period, the company incurred administration expenses of £194,886 (year to 31 August 2001: £202,162) and made a loss before taxation, exceptional items and the write-back of goodwill of £140,966 (year to 31 August 2001: £147,523). Administration expenses primarily comprise directors' remuneration and professional costs incurred in running a public company. The directors have made every effort to control costs and generate income during the period and this is reflected by a 36.3 per cent. reduction in the loss on a pro rata basis when compared with the previous period.

The exceptional item and the write-back of goodwill relate entirely to the investment the group made during the period in SRS, details of which have been provided in previous announcements made by the company. The share price of SRS at the period end was 13.5 pence compared with 5.5 pence on 14 August 2003 and 96.5 pence at the date of the investment, the fall in the share price being predominantly due to the announcement by SRS of results, which were below market expectations. However, SRS announced on 22 July 2002 a placing, which the company did not participate in, that seeks to raise £540,000 net of expenses and which was approved by SRS shareholders at an EGM on 14 August 2003. The Board are monitoring the investment in SRS carefully and we hope that the value of this investment will increase as the SRS business advances beyond its development stage.

### **Future prospects**

Since the period end, the company has focussed its investment activities on residential property due to the lack of attractive equity investment opportunities which we were being presented with. The company has purchased five show homes from Barratt, the house builders, on a sale and leaseback basis at a total cost of £868,701. Under this arrangement the group is guaranteed a 10 per cent. gross yield on its investment. This investment has been supported by a mortgage, amounting to approximately 85 per cent. of the cost of the properties, which in the current climate is attractive and in addition we believe that the properties will show good medium term capital growth prospects. The net income arising therefrom will assist the group to reduce the impact of the significant administrative expenses incurred in running a public company.

The company continues to consider investment opportunities but as over 90 per cent. of our funds are now invested we do not anticipate making a large number of additional investments in the current year and instead the board intend to devote the majority of their time into generating value from the existing portfolio. To reflect this change and to assist the company to reach profitability, the directors have agreed to reduce their annual remuneration by 40 per cent. from 1 August 2003 and we have taken steps to reduce our administration costs as much as possible.

### **Board changes**

I have been chairman and a director of the company since its flotation on AIM in July 2000. It is my intention to retire from these posts at the AGM on 10 September 2003 and it is not the immediate intention to appoint a replacement. I would like to thank my colleagues for their support and wish them success in their endeavours.

B S North  
18 August 2003

# BIDTIMES PLC

## REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the period ended 28 February 2003.

### Principal activity

The group's principal activity continues to be that of an investment group.

### Business review

The company extended its reporting period by six months to 28 February 2003 to coincide with that of its subsidiary undertaking.

There was a loss for the period after taxation amounting to £1,121,453 (2001 : £147,523). The directors do not recommend the payment of a dividend. The Chairman's statement appears on pages 1 of these financial statements.

### Directors

The present membership of the board is set out below. All served on the board throughout the period, unless otherwise indicated.

The interests of the directors and their families in the shares of the company as at 28 February 2003 and 31 August 2001 (or from their date of appointment if later), were as follows:

	Ordinary shares of 5p each		Options to purchase ordinary shares of 5p each	
	2003 Number	2001 Number	2003 Number	2001 Number
B S North	53,333	40,000	125,000	125,000
R W Stevens	1,381,332*	60,000	125,000	125,000
N B Fitzpatrick	136,399	33,000	50,000	50,000
R J Griffiths (appointed 12 June 2002)	6,078,054	75,000	-	-

\*1,301,333 of these shares are held by Meriden Group Plc, a company in which Mr R W Stevens is a director and majority shareholder.

### Substantial shareholdings

Apart from the interests of the directors, the only interests in excess of 3% of the issued share capital of the company, which the company was aware as at 15 August 2003, were as follows:

	Ordinary of 5p each Number	shares	Percentage of capital %
JM Finn Nominees Limited		1,476,666	8.5
Timothy Royce		1,086,458	6.3
HSBC Global Custody Nominee (UK) Limited		669,426	3.9

# **BIDTIMES PLC**

## **REPORT OF THE DIRECTORS**

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### **Share capital**

Details of movements in share capital are given in note 14 to the financial statements.

### **Payment to suppliers**

It is the group's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The company does not have a standard or code which deals specifically with the payment of suppliers. There were no unpaid creditors at the end of the period.

### **Directors' responsibilities for the financial statements**

company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group 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 group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

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

**BY ORDER OF THE BOARD**

R W Stevens  
Secretary

18 August 2003

The company has applied principles of corporate governance commensurate with its size.

### Directors

The company supports the concept of an effective board leading and controlling the company. The board is responsible for approving company policy and strategy and it meets seven times per annum. The Managing Director supplies the board with appropriate and timely information, in particular with respect to investment opportunities and the directors are free to seek any further information they consider necessary. All directors have access to independent professional advice at the company's expense.

The board consists of one executive director, who holds the key operational position in the company and three non-executive directors, who bring a breadth of experience and knowledge. This provides a balance whereby the board's decision making cannot be dominated by an individual. The Chairman of the board is Mr B S North and the company's business is run by Mr R W Stevens, the Managing Director. Messrs B S North, N B Fitzpatrick and R J Griffiths are the non-executive directors. The biographies of the directors are set out below:

**Brian North** (Non-executive Chairman) has significant experience in the distribution and retail sectors. He spent eight years with Burton Group Plc between 1973 and 1981, including three years as Finance Director and two years as deputy Managing Director. Current directorships include Springboard Plc, Compass Software Group plc and one unquoted company.

**Russell Stevens** (Managing Director) is a chartered certified accountant and in 1991 founded Hamiltons, a multi-disciplinary accountancy practice. He became managing director of Hamiltons Group Limited on its incorporation in May 1997, subsequently stepping down to take up his current position as part time Chief Executive with Meriden Group Plc, a business services group which he floated on AIM in August 2001. He has a portfolio of unquoted companies in which he has active investments and specialises in providing strategic advice to growing businesses. Russell is also part time Chief Executive of Innobox Plc, which he floated on AIM in January 2001.

**Brent Fitzpatrick** (Non-executive Director) has spent the last ten years as a corporate finance consultant and has gained significant experience in identifying and advising a number of companies on their acquisitions on what was the Unlisted Securities Market. In the last fifteen years, Mr Fitzpatrick has been instrumental in identifying and advising a number of companies on their acquisitions and subsequent flotations. He is also a Non-executive Director of Real Affinity Plc and MOS International Plc, which are both quoted on AIM and Chairman of Aboyne-Clyde Rubber Estates of Ceylon Plc, an unquoted investment company.

**Richard Griffiths** (Non-executive Director) spent nine years in the automotive retailing business, initially with S Griffiths & Sons Limited, a family owned company for which he established and developed a contract hire and leasing division. From 1988 to 1991 he worked in the music industry in New York before returning to the UK and acquiring the retailing division of S Griffiths & Sons Limited, which changed its name to Romulus Group Plc. Mr Griffiths has, since 1996, been a strategic investor in small private companies in various sectors, including insurance, rehabilitation technology, e-commerce, fuel cards, telecom and the music industry and holds a number of non-executive directorships in unquoted companies.

The directors have each entered into consultancy agreements with the company, which are terminable by either party with six months written notice.

**Relations with shareholders**

The company values the views of its shareholders and recognises their interest in the company's strategy and performance. The Annual General Meeting is used to communicate with private investors and they are encouraged to participate. The directors will be available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the annual report and accounts.

All shareholders can gain access to information about the company through the company's website [www.bidtimes.com](http://www.bidtimes.com).

**Accountability and audit**

The Audit Committee comprises Mr N B Fitzpatrick (Chairman), and Mr R W Stevens, the former being a Non-executive Director. The terms of reference of the Committee include keeping under review the scope and results of the external audit and its cost effectiveness. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the company, seeking to balance objectivity and value for money.

**Internal control**

The board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the group's assets and for reviewing its effectiveness. The system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The board has considered the need for an internal audit function but has decided the size of the group does not justify it at present. However, it will keep the decision under annual review.

The key features of the group's systems of internal control are as follows:

- the company is headed by an effective board, which leads and controls the group;
- there is a clear division of responsibilities in running the board and running the group's business;
- the board receives and reviews on a timely basis financial and operating information appropriate to being able to discharge its duties; and
- the board receives and reviews on a timely basis information regarding potential investment opportunities.

**Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

# BIDTIMES PLC

## REPORT ON REMUNERATION

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### Directors' remuneration

The board recognises that directors' remuneration is of legitimate concern to the shareholders and is committed to following current best practice.

### Policy on executive directors' remuneration

The policy of the board is to provide executive remuneration packages designed to attract, motivate and retain directors of the calibre necessary to maintain the company's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary. The remuneration should also reflect the directors' responsibilities and contain incentives to deliver the company's objectives.

The Remuneration Committee comprises Mr B S North (Chairman) and Mr N B Fitzpatrick. The terms of the Committee are to monitor remuneration levels and to make recommendations to the board regarding the remuneration of directors.

There are two main elements of the directors' remuneration packages:

- i Consultancy fees
- ii Share option incentives

### Consultancy fees

Consultancy fees are paid to related parties associated with each director. The terms of such consultancy fees have been set and agreed in advance as set out in various consultancy agreements.

A summary of amounts payable under the consultancy agreements is set out below:

	<b>Period ended 28 February 2003 £</b>	<b>Year ended 31 August 2001 £</b>	<b>Payable to</b>
B S North, Non-executive Chairman	15,000	10,000	Brian North Associates, a partnership in which Mr North is a partner
R W Stevens, Managing Director	27,000	18,000	Hamilton Securities, a partnership in which Mr Stevens is a partner.
N B Fitzpatrick, Non-executive Director	15,000	10,000	Ocean Park Developments Limited, a company in which Mr Fitzpatrick is a director.
R J Griffiths, Non-executive Director	-	-	

Consultancy fees paid to Brian North Associates and Hamiltons Securities are subject to Value Added Tax, which the company is unable to recover at the present time.

# BIDTIMES PLC

## REPORT ON REMUNERATION

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### Share option incentives

The following directors have share options:

	<b>At beginning and end of period No.</b>	<b>Exercise price (pence)</b>
B S North	125,000	25
R W Stevens	125,000	25
N B Fitzpatrick	50,000	25

The share options may be exercised in whole or in part at any time during the period between three months after the completion of the first acquisition and the seventh anniversary of the date of grant.

The market value of the shares at 28 February 2003 was 3.75 pence (2001 : 9.0 pence) and the high and low prices during the period have been 13.75 pence and 2.88 pence respectively.

Mr B S North  
Chairman

18 August 2003

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BIDTIMES PLC**

We have audited the financial statements of Bidtimes PLC for the period ended 28 February 2003 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the cash flow statement and notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual 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 annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report, the chairman's statement, the corporate governance statement and the report on remuneration. 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 affairs of the company and the group as at 28 February 2003 and of the loss of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
BIRMINGHAM  
18 August 2003**

Note: The maintenance and integrity of the Bidtimes Plc website is the responsibility of the directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

**BIDTIMES PLC****CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the period ended 28 February 2003

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	<b>Note</b>	<b>Period ended 28 February 2003 £</b>	<b>Year ended 31 August 2001 £</b>
<b>Turnover</b>		<b>13,055</b>	-
Administrative expenses		<u>(194,886)</u>	<u>(202,162)</u>
<b>Operating loss</b>		<b>(181,831)</b>	(202,162)
Interest receivable		<b>40,865</b>	54,639
Amounts written of investments	2	<b>(1,402,867)</b>	-
Write back of negative goodwill	8	<u>422,380</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>	3	<b>(1,121,453)</b>	(147,523)
Taxation	5	<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation and transferred from reserves</b>	15	<u><b>(1,121,453)</b></u>	<u>(147,523)</u>
<b>Basic loss per share</b>	6	<u><b>(10.27)p</b></u>	<u>(2.89)p</u>

All activities relate to continuing operations.

There were no recognised gains or losses other than the loss for the financial period.

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

**BIDTIMES PLC**

## CONSOLIDATED BALANCE SHEET AT 28 FEBRUARY 2003

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	Note	28 February 2003 £	31 August 2001 £
<b>Fixed assets</b>			
Intangible assets	8	-	-
Investments	9	<u>336,447</u>	-
		<b>336,447</b>	-
<b>Current assets</b>			
Investments	10	<b>148,055</b>	-
Debtors	11	<b>4,250</b>	3,869
Cash in bank and in hand		<u>314,758</u>	1,004,626
		<b>467,063</b>	1,008,495
<b>Creditors</b>			
Amounts falling due within one year	12	<u>(10,500)</u>	(108,132)
<b>Net current assets</b>		<u><b>456,563</b></u>	900,363
<b>Net assets</b>		<u><b>793,010</b></u>	<u>900,363</u>
<b>Capital and reserves</b>			
Called up share capital	14	<b>868,676</b>	255,000
Share premium account	15	<b>714,948</b>	864,793
Profit and loss account	15	<u>(790,614)</u>	(219,430)
<b>Equity shareholders' funds</b>	16	<u><b>793,010</b></u>	<u>900,363</u>

The financial statements were approved by the Board of Directors on 18 August 2003.

Director

Director

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

**BIDTIMES PLC**

## COMPANY BALANCE SHEET AT 28 FEBRUARY 2003

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	Note	2003 £	2001 £
<b>Fixed assets</b>			
Investments	9	<u>336,447</u>	-
<b>Current assets</b>			
Investments	10	148,055	-
Debtors	11	4,250	3,869
Cash in bank and in hand		<u>314,758</u>	1,004,626
		<b>467,063</b>	1,008,495
<b>Creditors</b>			
Amounts falling due within one year	12	<u>(10,500)</u>	(108,132)
<b>Net current assets</b>		<u>456,563</u>	900,363
<b>Net assets</b>		<u>793,010</u>	<u>900,363</u>
<b>Capital and reserves</b>			
Called up share capital	14	868,676	255,000
Share premium account	15	714,948	864,793
Profit and loss account	15	<u>(790,614)</u>	(219,430)
<b>Equity shareholders' funds</b>		<u>793,010</u>	<u>900,363</u>

The financial statements were approved by the Board of Directors on 18 August 2003.

Director

Director

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

**BIDTIMES PLC****CONSOLIDATED CASH FLOW STATEMENT**

For the period ended 28 February 2003

	<b>Note</b>	<b>Period ended 28 February 2003 £</b>	<b>Year ended 31 August 2001 £</b>
<b>Net cash outflow from operating activities</b>	19	<b>(285,270)</b>	<b>(173,563)</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		<b>40,865</b>	54,639
<b>Net cash inflow from returns on investments and service of finance</b>		<b>40,865</b>	54,639
<b>Capital expenditure and financial investment</b>			
Fixed asset investments		<b>(108,270)</b>	-
Current asset investments		<b>(148,055)</b>	-
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(256,325)</b>	-
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertaking	23	<b>(121,101)</b>	-
<b>Net cash outflow before financing</b>		<b>(621,831)</b>	<b>(118,924)</b>
<b>Financing</b>			
Share issue costs		<b>(68,037)</b>	-
<b>Net cash outflow from financing</b>		<b>(68,037)</b>	-
<b>Decrease in cash</b>	20	<b>(689,868)</b>	<b>(118,924)</b>

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

# **BIDTIMES PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 28 February 2003

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### **1 ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **Turnover**

Turnover is the total amount receivable by the group for services provided, including VAT.

#### **Basis of consolidation**

The group results consolidate those of the company and of its subsidiary undertaking drawn up to 28 February 2003. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

#### **Merger relief**

The company has adopted merger relief offered by section 131 of the Companies Act 1985 in respect of the consideration received in excess of the nominal value of the equity shares issued in connection with the acquisition of Firefly Securities Limited.

#### **Goodwill**

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life. Negative goodwill is written back to the profit and loss account to match the recovery of the non-monetary assets acquired.

#### **Investments**

Investments are included at cost less amounts written off.

#### **Financial instruments**

Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the profit and loss account in the financial period to which it relates.

### **2 AMOUNTS WRITTEN OFF INVESTMENT**

The amounts written off investments relates to the write down of the investment in SRS Technology Group Plc to the market value as at 28 February 2003.

# BIDTIMES PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 2003

### 3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after:

	<b>Period ended 28 February 2003 £</b>	Year ended 31 August 2001 £
Auditors' remuneration		
- audit services	<b>4,500</b>	5,000
- non-audit services	<b>875</b>	32,850

During the period ended 28 February 2003 the auditors also received remuneration of £4,406 (2001 : £Nil) and £10,594 (2001 : £Nil) which have been charged to the share premium account and fixed asset investments respectively.

### 4 DIRECTORS AND EMPLOYERS

During the period the company did not have any employees. Amounts paid to related parties in respect of directors' services are disclosed in note 22 and the report on remuneration.

### 5 TAXATION ON LOSS ON ORDINARY ACTIVITIES

No taxation charge arises on the loss for the period (2001 : £Nil).

The tax assessed for the period is different to the standard rate of corporation tax in the UK 30% (2001: 30%). The differences are explained as follows:

	<b>2003 £</b>	2001 £
Loss on ordinary activities before tax	<b>1,121,453</b>	147,523
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	<b>(336,436)</b>	(44,257)
Effect of:		
Expenses not deductible for tax purposes	<b>330</b>	293
Investment impairment	<b>420,860</b>	-
Write back of negative goodwill	<b>(126,714)</b>	-
Losses carried forward	<b>41,960</b>	43,964
Current tax charge for period	<b>-</b>	-

Unrelieved tax losses of £363,116 (2001 : £191,909) are available to offset against future taxable trading profits.

## BIDTIMES PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 2003

#### 6 LOSS PER SHARE

The calculation of the basic loss per share is based on the loss on ordinary activities after tax and on the weighted average number of ordinary shares in issue during the period. The impact of the share options is anti dilutive.

	28 February 2003			31 August 2001		
	Loss £	Weighted average number of shares	Loss per share (pence)	Loss £	Weighted average number of shares	Loss per share (pence)
Basic loss per share	<u>(1,121,453)</u>	<u>10,917,250</u>	<u>(10.27)</u>	<u>(147,523)</u>	<u>5,100,000</u>	<u>(2.89)</u>

#### 7 PROFIT AND LOSS ACCOUNT

As permitted by Section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The parent company's loss for the period was £571,184 (2001 : £147,523).

#### 8 INTANGIBLE FIXED ASSETS

Group	Negative goodwill £
Additions	
On acquisition of Firefly Securities Limited	(422,380)
Written back during the period	<u>422,380</u>
At 28 February 2003	<u>-</u>

Further to the revaluation of the investment in SRS Technology Group plc, the associated negative goodwill has been written back to the profit and loss account in accordance with Financial Reporting Standard 10.

## BIDTIMES PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 2003

#### 9 FIXED ASSET INVESTMENTS

	Group £	Company £
At 1 September 2001	-	-
Additions during the period	1,739,314	761,240
Provision for impairment	<u>(1,402,867)</u>	<u>(424,793)</u>
At 28 February 2003	<u><b>336,447</b></u>	<u><b>336,447</b></u>

Fixed asset investments comprise:

	Group £	Company £
Firefly Securities Limited (see note {a} below)	-	228,177
SRS Technology Group Plc (see note {a} below)	228,177	-
Innobox Limited (see note {b} below)	58,270	58,270
Blue Chip Casinos Plc (see note {c} below)	<u>50,000</u>	<u>50,000</u>
	<u><b>336,447</b></u>	<u><b>336,447</b></u>

- a) The group acquired 100% of the ordinary share capital of Firefly Securities Limited (“Firefly”) on 12 June 2002, a company incorporated in England and Wales. Firefly holds 1,690,200 shares (11.37%) in SRS Technology Group Plc (“SRS”) an AIM quoted company. SRS specialises in the design, development and supply of electronic assistive technology for environmental control to aid independent living and enhance quality of life. The value of the investment in Firefly based on the mid-price of SRS on 28 February 2003 was £228,177. The value of the investment at the close of business on 14 August 2003 was £92,961.
- b) The group acquired 15.04% of the ordinary share capital in Innobox Plc during the period for a cost of £58,270. Innobox Plc is an AIM quoted investment company. The market value of the investment in Innobox Plc based on the mid-price at 28 February 2003 was £58,750. The value of the investment on 14 August 2003 was £131,600.
- c) The group acquired 6% of the ordinary share capital of Blue Chip Casinos Plc (“Blue Chip”) during the period for a cost of £50,000, or 15p per share. Blue Chip is a private company, which aims to build a group of provincial casinos in the UK. The directors' opinion of the value of this investment at 28 February 2003 was £150,000, however the directors have adopted a prudent policy and included this investment in the balance sheet at cost. This opinion is based on the fact that Blue Chip entered into a Subscription and Shareholders Agreement with an investor on 29 January 2003, which subject to certain conditions precedent, provides for an investment of £5 million at a price of 45p per share.

## BIDTIMES PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 2003

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#### 10 CURRENT ASSET INVESTMENTS

<b>Group and company</b>	<b>2003</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Loans	<u><b>148,055</b></u>	<u>-</u>

The company has made short term unsecured loans to Blue Chip Casinos Plc totalling £148,055. The loans are repayable on 31 October 2003 and bear interest at a rate of 5% above the base rate of the Bank of Scotland.

#### 11 DEBTORS

<b>Group and company</b>	<b>2003</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	<u><b>4,250</b></u>	<u>3,869</u>

#### 12 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

<b>Group and company</b>	<b>2003</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	<u><b>10,500</b></u>	<u>108,132</u>

#### 13 FINANCIAL INSTRUMENTS

The group uses financial instruments comprising cash and short term deposits and has no borrowing. It does not enter into derivative transactions such as interest rate swaps, forward rate agreements or forward currency contracts. The group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

##### **Fair value**

The fair value of financial instruments is no different to book value.

##### **Liquidity risk**

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The group policy throughout the year has been to ensure continuity of funding with all cash deposits being recoverable on demand.

# BIDTIMES PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 2003

### 14 SHARE CAPITAL

	2003 £	2001 £
Authorised 40,000,000 (2001 : 8,000,000) ordinary shares of 5p each	<u>2,000,000</u>	<u>400,000</u>
Allotted, issued and fully paid 17,373,523 (2001 : 5,100,000) ordinary shares of 5p each	<u>868,676</u>	<u>255,000</u>

During the period 12,273,523 ordinary shares of 5p were allotted as follows:

On 12 June 2002, 1,699,923 shares were issued by way of a bonus issue in proportion 1 : 3 to all existing shareholders.

The company issued 10,537,368 shares in relation to the acquisition of Firefly Securities Limited.

On 20 June 2002, 36,232 shares were issued for a consideration of £5,000 settling certain outstanding professional fees. The difference between the consideration and the nominal value has been credited to the share premium account.

#### Share options

In addition to the directors' share options disclosed in the Report on Remuneration, the company's former advisors, Brown Shipley, hold options to subscribe for 150,000 ordinary shares at 25 pence per share. These options may be exercised at any time until 4 July 2005.

# BIDTIMES PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 2003

### 15 SHARE PREMIUM ACCOUNT AND RESERVES

<b>Group</b>	<b>Other reserves £</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>
At 31 August 2001	-	864,793	(219,430)
Arising on acquisition	550,269	-	-
Retained loss for the period	-	-	(1,121,453)
Transfer between reserves	(550,269)	-	550,269
Bonus issue	-	(84,996)	-
Costs of acquisition	-	(64,849)	-
At 28 February 2003	<u>-</u>	<u>714,948</u>	<u>(790,614)</u>
<b>Company</b>			
At 31 August 2001	-	864,793	(219,430)
Retained loss for the period	-	-	(571,184)
Bonus issue	-	(84,996)	-
Costs of acquisition	-	(64,849)	-
At 28 February 2003	<u>-</u>	<u>714,948</u>	<u>(790,614)</u>

The balance on the share premium account may not be distributed legally under section 263 and 264 of the Companies Act 1985.

Other reserves relate to the difference between the market value and the nominal value of shares issued as consideration for the acquisition of a subsidiary undertaking where the company has taken advantage of section 131 of the Companies Act 1985.

### 16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<b>2003 £</b>	<b>2001 £</b>
Loss on ordinary activities after taxation	<b>(1,121,453)</b>	(147,523)
Issues of ordinary share capital	<b>1,078,949</b>	-
Share issue costs	<b>(64,849)</b>	-
Net decrease in shareholders' funds	<b>(107,353)</b>	(147,523)
Opening shareholders' funds	<b>900,363</b>	1,047,886
Closing shareholders' funds	<b>793,010</b>	900,363

### 17 CONTINGENT LIABILITIES

The group had no contingent liabilities at 28 February 2003 or 31 August 2001.

### 18 CAPITAL COMMITMENTS

The group had no capital commitments at 28 February 2003 or 31 August 2001.

**BIDTIMES PLC****NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 28 February 2003

**19 RECONCILIATION OF OPERATING LOSS WITH NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	<b>Period ended 28 February 2003 £</b>	<b>Year ended 31 August 2001 £</b>
Operating loss	<b>(181,831)</b>	(202,162)
(Increase)/decrease in debtors	<b>(381)</b>	938
(Decrease)/increase in creditors	<b>(103,058)</b>	27,661
Net cash outflow from operating activities	<b><u>(285,270)</u></b>	<b><u>(173,563)</u></b>

**20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	<b>Period ended 28 February 2003 £</b>	<b>Year ended 31 August 2001 £</b>
Decrease in cash for the period and movement in net funds	<b>(689,868)</b>	(118,924)
Net funds at the beginning of the period	<b><u>1,004,626</u></b>	<u>1,123,550</u>
Net funds at the end of the period	<b><u>314,758</u></b>	<u>1,004,626</u>

**21 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1 September 2001 £</b>	<b>Cash flow £</b>	<b>At 28 February 2003 £</b>
Cash at bank and in hand	<u>1,004,626</u>	<u>(689,868)</u>	<b><u>314,758</u></b>

## BIDTIMES PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 2003

#### 22 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

During the period the company purchased the entire share capital of Firefly Securities Limited (as disclosed in note 9). Mr N B Fitzpatrick was a shareholder of Firefly Securities Limited.

During the period, the company also made investments in Innobox Plc and Blue Chip Casinos Plc (as disclosed in notes 9 and 10). In addition the company charged Blue Chip an arrangement fee of £13,055 (2001 : £Nil). Mr R W Stevens is a director and shareholder of both of these companies.

Services amounting to £47,305 (2001 : £18,320), relating to project management fees, accountancy services and re-imburement of expenses, were purchased from Meriden Holdings Limited, of which £3,683 (2001 : £39,518) remains unpaid at the period end. Mr R W Stevens is a director of Meriden Holdings Limited.

Services amounting to £35,925 (2001 : £18,000), relating to Mr R W Stevens' services as a director, were purchased from Hamiltons Securities, of which £Nil (2001 : £24,000) remained unpaid at the period end. Mr R W Stevens is a partner in Hamiltons Securities.

Services amounting to £24,356 (2001 : £12,444), relating to Mr B S North's services as a director and reimbursement of expenses, were purchased from Brian North Associates, of which £220 (2001 : £13,568) remained unpaid at the period end. Mr B S North is a partner in Brian North Associates.

Services amounting to £19,295 (2001 : £12,736), relating to Mr N B Fitzpatrick's services as a director and reimbursement of expenses, were purchased from Ocean Park Developments Limited, of which £200 (2001 : £13,483) remained unpaid at the period end. Mr N B Fitzpatrick is a director of Ocean Park Developments Limited.

#### 23 ACQUISITIONS

On 12 June 2002 the company acquired all of the ordinary shares in Firefly Securities Limited being 100% of its nominal share capital for a consideration, before professional costs, of £1,077,137. Negative goodwill arising on the acquisition was £422,380. The purchase of Firefly Securities Limited has been accounted for by the acquisition method of accounting.

Firefly Securities Limited's result before tax from the beginning of the subsidiary's financial period on 1 March 2002 to the date of acquisition of £Nil. Firefly Securities Limited incurred a loss for the period to 28 February 2003 of £1,392,014.

The assets and liabilities acquired were as follows:

	<b>Book and fair value £</b>
Investments	1,631,044
Creditors	(5,426)
<b>Net assets acquired</b>	<u><u>1,625,618</u></u>

**BIDTIMES PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 28 February 2003

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**23 ACQUISITIONS CONTINUED**

	£
Satisfied by:	
Issue of shares	1,077,137
Professional costs	126,101
	<u>1,203,238</u>
Net assets acquired	1,625,618
Goodwill	<u>(422,380)</u>

Analysis of net outflow of cash in respect of the purchase of the subsidiary undertaking:

	£
Professional fees	126,101
Less professional fees satisfied by shares	<u>(5,000)</u>
	<u>121,101</u>

The subsidiary undertaking acquired during the period had no impact on the group's cashflows.

## **BIDTIMES PLC**

(Incorporated in England and Wales under the Companies Act 1985 with registered number 3934451)

### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the annual general meeting of the company will be held at the offices of John East & Partners Limited, Crystal Gate, 28-30 Worship Street, London, EC2A 2AH on 10 September 2003 at 12 noon for the transaction of the following ordinary business:

1. To approve the audited accounts for the company for the period ended 28 February 2003.
2. To reappoint Richard Griffiths a director who, having been appointed at an EGM during the period, retires and being eligible, offers himself for re-election.
3. To appoint Grant Thornton as auditors of the company and to authorise the directors to fix their remuneration.
4. To transact any other business of an annual general meeting.

By order of the Board  
Russell Stevens  
Company Secretary  
18 August 2003

*Registered office:*

Meriden House  
6 Great Cornbow  
Halesowen  
West Midlands  
B63 3AB

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. A proxy need not be a member of the company.
2. A Form of Proxy is enclosed for your use if desired. The instrument appointing a proxy must reach the company's Registrars Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not less than 48 hours before the time of holding of the meeting.
3. Pursuant to Regulation 40 of The Uncertificated Securities Regulations 2001, the company specifies that only those shareholders of the company on the register at 6.00 pm on 9 September 2003 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

A Form of Proxy accompanies this document. **To be valid, Forms of Proxy for use at the meeting must be completed and returned so as to be received at the offices of the company's registrars Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not later than 12 noon on 8 September 2003.**

The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the meeting should you wish to do so.

**BIDTIMES PLC**

Annual General Meeting to be held on 10 September 2003

**FORM OF PROXY**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of Bidtimes PLC, appoint the chairman of the meeting, or (see Note 1)

\_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 10 September 2003 at John East & Partners Limited, Crystal Gate, 28-30 Worship Street, London, EC2A 2AH and at every adjournment of it. In the event of a poll I/we desire my/our votes to be cast as indicated with an X in the space provided.

**ORDINARY BUSINESS**

	<b>FOR</b>	<b>AGAINST</b>
1. To approve the audited accounts for the Company for the period ended 28 February 2003.	<input type="checkbox"/>	<input type="checkbox"/>
2. To reappoint Richard Griffiths	<input type="checkbox"/>	<input type="checkbox"/>
3. To appoint Grant Thornton as auditors of the Company and to authorise the Directors to fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>

Dated \_\_\_\_\_ 2003

Signature \_\_\_\_\_

**Notes:**

1. You may delete the words "chairman of the meeting" and insert the name of your own choice of proxy, who need not be a member of the Company. Please initial any such alteration.
2. In the absence of any instructions on the resolutions referred to above your proxy will vote or abstain as he or she thinks fit. Your proxy will also vote or abstain as he or she thinks fit on any other matter coming before the meeting. A proxy can only vote on a poll.
3. To be valid this proxy form must reach the Company's registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not less than 48 hours before the time fixed for the meeting. Completion of this proxy form does not prevent you from attending and voting in person.
4. In the case of joint registered holders, any joint holder may sign this proxy form, but the vote of the person whose name appears first in the register of members in respect of the holding or his proxy will be accepted to the exclusion of the votes of other joint holders or their proxies.
5. If this proxy form is executed under a power of attorney, the power of attorney or other authority (or a notarially certified copy of it) must be lodged with the Company with the proxy form