

**BIDTIMES PLC**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
29 FEBRUARY 2004

**Bidtimes Plc**

Financial statements

For the year ended 29 February 2004

Grant Thornton 

Bidtimes Plc  
Financial statements for the year ended 29 February 2004

Company information

<b>Registration number:</b>	3934451
<b>Registered office:</b>	Meriden House 6 Great Cornbow Halesowen West Midlands B63 3AB
<b>Chairman and Managing Director:</b>	R W Stevens
<b>Non-executive Directors:</b>	N B Fitzpatrick R J Griffiths
<b>Secretary:</b>	R W Stevens
<b>Bankers:</b>	Bank of Scotland plc 124 Colmore Row Birmingham B3 3AU
<b>Solicitors:</b>	Eversheds 115 Colmore Row Birmingham B3 3AL
<b>Auditors:</b>	Grant Thornton Registered Auditors Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ

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Company information (continued)

**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

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## Chairman's statement

I am pleased to present the results for the Group for the year ended 29 February 2004.

The Group has made a small loss for the year of £12,344, before taxation and amounts written off investments, compared with a loss of £140,966 in the previous eighteen month period. The amounts written off investments relates entirely to the Group's investment in SRS Technology Group Plc and, after this charge, the Group made a loss of £122,207 (2003: £1,121,453). The Board does not believe that this will represent a permanent diminution in value, but, to be prudent, we have recognised this reduction in value in the period under review.

Shareholders are reminded that it is the Group's policy to value investments at the lower of cost or net realisable value. This results in the immediate recognition of potential losses, but not potential gains and I would point out that the Group has a number of potential unrealised gains, as detailed in the financial statements, which have not yet been recognised.

The reduction in the loss for the year is due to two factors, a reduction in the overhead base of the Group and the investment in income generating freehold property during the year. The reduction in the overhead base included a 40% reduction in directors' remuneration, which was implemented after five months of the year and the reduction in size of our Board by one member. In addition, the Group purchased six show homes from Barratt Homes during the year which Barratt lease back from the Group at returns of up to 10%. The rental income from this property portfolio did not contribute until month five of the year and contributed £40,349 of net income for the Group, after loan interest and other expenses.

The Board is satisfied with the performance of the investment portfolio during the year, and in particular the progress made by Blue Chip Casinos Plc and Innobox Plc. The Board continue to monitor very closely the Group's investment in SRS Technology Group Plc.

With all funds currently invested in a diversified and balanced portfolio, the Board have been focusing on maximising shareholder value from the current investment portfolio and the Board remains optimistic in the outlook for the Company in the medium term.

Russell Stevens  
Chairman and Managing Director  
10 June 2004

## Report of the directors

The directors present their report together with the audited financial statements for the year ended 29 February 2004.

### Principal activity

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

### Business review

There was a loss for the year after taxation amounting to £122,207 (2003 : £1,121,453). 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 year, unless otherwise indicated.

The interests of the directors and their families in the shares of the company as at 29 February 2004 and 1 March 2003 (or from their date of appointment if later), were as follows:

	Ordinary shares of 5p each		Options to purchase ordinary shares of 5p each	
	2004 Number	2003 Number	2004 Number	2003 Number
R W Stevens	1,381,332*	1,381,332*	125,000	125,000
N B Fitzpatrick	136,399	136,399	50,000	50,000
R J Griffiths	6,078,054	6,078,054	-	-

Mr B S North resigned as a director on 10 September 2003.

\*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 8 June 2004, were as follows:

	Ordinary shares of 5p each Number	Percentage of capital %
Timothy Royce	1,086,458	6.3
Puma Nominee Limited	525,503	3.0
JM Finn Nominees Limited	1,147,742	6.6
Comdirect Nominee Limited	544,000	3.1

### 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 year.

### 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 group and company and of the profit or loss of the group for that 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 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. On 1 July 2004, the Grant Thornton partnership will convert to a Limited Liability partnership called Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors intend to consent to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

BY ORDER OF THE BOARD

R W Stevens  
Secretary

10 June 2004

## Corporate governance

### 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 regularly during the year. 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 two 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 and Managing Director is Mr R W Stevens. Messrs N B Fitzpatrick and R J Griffiths are the non-executive directors. The biographies of the directors are set out below:

**Russell Stevens** (Chairman and 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).

### **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 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;
- 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**

On the assumption that the loan to Mr C Parry is repaid when it falls due and the investment properties will be sold to repay the bank loans taken out to finance their purchase, 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.

## Report on remuneration

### **Directors' remuneration**

The board recognises that directors' remuneration is of legitimate concern to the shareholders.

### **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 R Griffiths (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>2004</b>	2003	<b>Payable to</b>
	<b>£</b>	<b>£</b>	
B S North	<b>5,676</b>	15,000	Brian North Associates, a partnership in which Mr North is a partner
R W Stevens	<b>15,158</b>	27,000	Hamilton Securities, a partnership in which Mr Stevens is a partner.
N B Fitzpatrick	<b>7,539</b>	15,000	Ocean Park Developments Limited, a company in which Mr Fitzpatrick is a director.
R J Griffiths	-	-	

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.

#### **Share option incentives**

The following directors have share options:

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

The share options may be exercised in whole or in part before the seventh anniversary of the date of grant.

The market value of the shares at 29 February 2004 was 3.50 pence (2003 : 3.75 pence) and the high and low prices during the year have been 5.5 pence and 2.25 pence respectively.

R W Stevens  
 Chairman

10 June 2004

## Report of the independent auditors to the members of Bidtimes Plc

We have audited the financial statements of Bidtimes Plc for the year ended 29 February 2004 which comprise 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 29 February 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
BIRMINGHAM**

10 June 2004

Consolidated profit and loss account

	Note	Year ended 29 February 2004 £	18 month period ended 28 February 2003 £
<b>Turnover</b>	2	88,693	13,055
Administrative expenses		<u>(90,173)</u>	<u>(194,886)</u>
<b>Operating loss</b>		<b>(1,480)</b>	<b>(181,831)</b>
Interest receivable		14,344	40,865
Interest payable	2	<u>(25,208)</u>	-
Amounts written off investments	3	<u>(109,863)</u>	<u>(1,402,867)</u>
Write back of negative goodwill		-	422,380
<b>Loss on ordinary activities before taxation</b>	2	<b>(122,207)</b>	<b>(1,121,453)</b>
Taxation	5	<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation and transferred from reserves</b>	16	<b><u>(122,207)</u></b>	<b><u>(1,121,453)</u></b>
<b>Basic loss per share</b>	6	<b><u>(0.7)p</u></b>	<b><u>(10.27)p</u></b>

All activities relate to continuing operations.

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

Consolidated balance sheet

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	8	<b>1,104,506</b>	-
Investments	9	<b>247,857</b>	336,447
		<u><b>1,352,363</b></u>	<u>336,447</u>
<b>Current assets</b>			
Investments	10	<b>149,216</b>	148,055
Debtors	11	<b>28,648</b>	4,250
Cash in bank and in hand		<b>25,961</b>	314,758
		<u><b>203,825</b></u>	<u>467,063</u>
<b>Creditors</b>			
Amounts falling due within one year	12	<u><b>(11,447)</b></u>	<u>(10,500)</u>
<b>Net current assets</b>		<u><b>192,378</b></u>	<u>456,563</u>
<b>Total assets less current liabilities</b>		<u><b>1,544,741</b></u>	<u>793,010</u>
<b>Creditors</b>			
Amounts falling due after one year	13	<b>(873,938)</b>	-
<b>Net assets</b>		<u><u><b>670,803</b></u></u>	<u><u>793,010</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	<b>868,676</b>	868,676
Share premium account	16	<b>714,948</b>	714,948
Profit and loss account	16	<b>(912,821)</b>	(790,614)
<b>Equity shareholders' funds</b>	17	<u><b>670,803</b></u>	<u>793,010</u>

The financial statements were approved by the Board of Directors on 10 June 2004

R W Stevens  
 Director

N B Fitzpatrick  
 Director

Company balance sheet

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	8	<b>1,104,506</b>	-
Investments	9	<b>247,857</b>	336,447
		<u><b>1,352,363</b></u>	<u>336,447</u>
<b>Current assets</b>			
Investments	10	<b>149,216</b>	148,055
Debtors	11	<b>28,648</b>	4,250
Cash in bank and in hand		<b>25,961</b>	314,758
		<u><b>203,825</b></u>	<u>467,063</u>
<b>Creditors</b>			
Amounts falling due within one year	12	<u><b>(11,447)</b></u>	<u>(10,500)</u>
<b>Net current assets</b>		<u><b>192,378</b></u>	<u>456,563</u>
<b>Total assets less current liabilities</b>		<u><b>1,544,741</b></u>	<u>793,010</u>
<b>Creditors</b>			
Amounts falling due after one year	13	<b>(873,938)</b>	-
<b>Net assets</b>		<u><b>670,803</b></u>	<u>793,010</u>
<b>Capital and reserves</b>			
Called up share capital	15	<b>868,676</b>	868,676
Share premium account	16	<b>714,948</b>	714,948
Revaluation reserve	16	<b>118,313</b>	-
Profit and loss account	16	<b>(1,031,134)</b>	(790,614)
<b>Equity shareholders' funds</b>	17	<u><b>670,803</b></u>	<u>793,010</u>

The financial statements were approved by the Board of Directors on 10 June

R W Stevens  
 Director

N B Fitzpatrick  
 Director

Consolidated cash flow statement

	Note	2004 £	2003 £
<b>Net cash outflow from operating activities</b>	20	<b>(24,931)</b>	(285,270)
<b>Returns on investments and servicing of finance</b>			
Interest received		14,344	40,865
Interest paid		(25,208)	-
<b>Net cash (outflow)/inflow from returns on investments and service of finance</b>		<b>(10,864)</b>	40,865
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(1,104,506)	-
Purchase of investments		(21,273)	(108,270)
Loans made to other entities		(149,216)	(148,055)
Loans repaid by other entities		148,055	-
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(1,126,940)</b>	(256,325)
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertaking		-	(121,101)
<b>Net cash outflow before financing</b>		<b>(1,162,735)</b>	(621,831)
<b>Financing</b>			
Share issue costs		-	(68,037)
Term loan		873,938	-
<b>Net cash inflow/(outflow) from financing</b>		<b>873,938</b>	(68,037)
<b>Decrease in cash</b>	21	<b>(288,797)</b>	(689,868)

## Notes to the financial statements

### **1 Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards except that the directors have invoked the true and fair override in departing from the requirement to provide depreciation on investment properties as explained below.

#### **Basis of consolidation**

The group results consolidate those of the company and of its subsidiary undertaking drawn up to 29 February 2004. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

#### **Turnover**

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

#### **Leasing and hire purchase commitments**

Rentals receivable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### **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.

### Investment properties

Investment properties are revalued annually and are included in the balance sheet at their open market values. The surplus or deficit on revaluation of such properties is transferred to the revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

This policy represents a departure from the Companies Act 1985, which requires 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 valuation. The financial effect of the departure from the Companies Act is not material.

### 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 Turnover and loss on ordinary activities before taxation

The turnover and loss on ordinary activities is stated after:

	2004	Period ended 28.02.2003
	£	£
Auditors' remuneration		
- audit services	4,500	4,500
- non-audit services	375	875
Interest payable on bank loans	25,208	-
Net rental income	<u>(68,693)</u>	<u>-</u>

During the year ended 29 February 2004 the auditors also received remuneration of £ Nil (2003 : £4,406) and £Nil (2003 : £10,594) which have been charged to the share premium account and fixed asset investments respectively.

## 3 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 29 February 2004.

## 4 Directors and employees

During the year the company did not have any employees. Amounts paid to related parties in respect of directors' services are disclosed in note 23 and the report on remuneration.

## 5 Taxation on loss on ordinary activities

No taxation charge arises on the loss for the year (2003 : £Nil).

The tax assessed for the year is different to the standard rate of corporation tax in the UK 30% (2003: 30%). The differences are explained as follows:

	2004 £	Period ended 28.02.03 £
Loss on ordinary activities before tax	122,207	1,121,453
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	<b>(36,662)</b>	(336,436)
Effect of:		
Expenses not deductible for tax purposes	-	330
Investment impairment	<b>32,959</b>	420,860
Write back of negative goodwill	-	(126,714)
Losses carried forward	<b>3,703</b>	41,960
Current tax charge for year	<u>-</u>	<u>-</u>

Unrelieved tax losses of £238,889 (2003 : £363,116) are available to offset against future taxable trading profits. An Inland Revenue aspect inquiry during the year resulted in some of the losses previously carried forward being disallowed.

## 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 year. The impact of the share options is anti dilutive.

	29 February 2004			Period ended 28 February 2003		
	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>(122,207)</u>	<u>17,373,523</u>	<u>(0.7)</u>	<u>(1,121,453)</u>	<u>10,917,250</u>	<u>(10.27)</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 year was £240,520 (2003 : £571,184).

## 8 Tangible fixed assets

### Group and company

	Investment properties £
Cost	
At 1 March 2003	-
Additions	1,104,506
At 29 February 2004	<u>1,104,506</u>
Net book value	
At 28 February 2004	<u>1,104,506</u>

The group has entered into a purchase and leaseback agreement with Barratt Homes Limited of six showroom properties. The gross amount of assets held for use under operating leases amount to £1,104,506.

## 9 Fixed asset investments

### Group

	£
Cost	
At 1 March 2003	1,739,314
Additions	21,273
At 29 February 2004	<u>1,760,587</u>
Provision for impairment	
At 1 March 2003	1,402,867
Additions	109,863
At 29 February 2004	<u>1,512,730</u>
Net book value	
At 29 February 2004	<u>247,857</u>
At 28 February 2003	<u>336,447</u>

**9 Fixed asset investments (continued)**

Company	£
Cost or valuation	
At 1 March 2003	761,240
Additions	21,274
Revaluation	118,313
At 29 February 2004	<u>900,827</u>
Provision for impairment	
At 1 March 2003	424,793
Charge for the year	228,177
At 29 February 2004	<u>652,970</u>
Net book value	
At 29 February 2004	<u>247,857</u>
At 28 February 2003	<u>336,447</u>

The carrying value of the fixed asset investments comprise:

Group	2004 £	2003 £
SRS Technology Group Plc (see note {a} below)	118,314	228,177
Innobox Plc (see note {b} below)	58,270	58,270
Blue Chip Casinos Plc (see note {c} below)	71,273	50,000
	<u>247,857</u>	<u>336,447</u>
<b>Company</b>	<b>2004 £</b>	<b>2003 £</b>
Firefly Securities Limited (see note {a} below)	-	228,177
SRS Technology Group Plc (see note {a} below)	118,314	-
Innobox Plc (see note {b} below)	58,270	58,270
Blue Chip Casinos Plc (see note {c} below)	71,273	50,000
	<u>247,857</u>	<u>336,447</u>

- a) The company holds 1,690,200 shares 2.62% in SRS Technology Group Plc ("SRS") an AIM quoted company. During the year the ownership of these shares was transferred from Firefly Securities Limited ("Firefly"), a fully owned subsidiary of the group to Bidtimes Plc. Following the year end, Firefly has been dissolved. 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 SRS based on the mid-price on 29 February 2004 was £118,314 (2003: £228,177). The value of the investment at the close of business on 7 June 2004 was £76,059.
- b) The group holds 15.04% of the ordinary share capital in Innobox Plc. Innobox Plc is an AIM quoted investment company. The market value of the investment in Innobox Plc based on the mid-price at 29 February 2004 was £220,900 (2003: £58,750). The value of the investment on 7 June 2004 was £131,788.

**9 Fixed asset investments (continued)**

- c) The group holds 2.81% (2003: 6%) of the ordinary share capital of Blue Chip Casinos Plc ("Blue Chip"). 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 29 February 2004 was £234,740 (2003: £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 latest transaction in the shares being at a price of 50p per share.

**10 Current asset investments**

Group and company	2004 £	2003 £
Loans	<u>149,216</u>	<u>148,055</u>

During the year the company has made a short term unsecured loan to a Mr C Parry, a director of Blue Chip Casinos Plc, totalling £145,000. The loan is repayable on 31 December 2004 and bears interest at a rate of 2% above the base rate of the Bank of Scotland.

The loan made to Blue Chip Casinos Plc of £148,055 in the previous period was repaid in full on 31 October 2003.

**11 Debtors**

Group and company	2004 £	2003 £
Prepayments and accrued income	<u>28,648</u>	<u>4,250</u>
	<u>28,648</u>	<u>4,250</u>

**12 Creditors : amounts falling due within one year**

Group and company	2004 £	2003 £
Accruals and deferred income	<u>11,447</u>	<u>10,500</u>
	<u>11,447</u>	<u>10,500</u>

**13 Creditors : amounts falling due after one year**

Group and company	2004 £	2003 £
Bank loans	<u>873,938</u>	<u>-</u>

The bank loans are secured by a fixed and floating charge over all the assets of the company. The loans are repayable from the full sale proceeds following each property disposal and will be fully repaid by June 2005. The loans bear interest at a rate of 2% above the base rate of the Bank of Scotland.

## 14 Financial instruments

The group uses financial instruments comprising bank loans, cash and short term deposits. 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. The bank loans are repayable from the full sale proceeds following each property disposal.

### 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 short term unsecured loan made during the year to Mr C Parry is repayable on or before 31 December 2004.

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

### Maturity of financial liabilities

The maturity profile of the group's financial liabilities at 31 December is as follows:

	2004	2003
	£	£
In one year or less, or on demand	-	-
In more than one year but not more than two	<u>891,000</u>	-
	<u><u>891,000</u></u>	<u><u>-</u></u>

The group has taken additional loan finance in order to fund the purchase of investment properties.

## 15 Share capital

	2004	2003
	£	£
Authorised		
40,000,000 (2003 : 40,000,000) ordinary shares of 5p each	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, issued and fully paid		
17,373,523 (2003 : 17,373,523) ordinary shares of 5p each	<u>868,676</u>	<u>868,676</u>

### 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.

**16 Share premium account and reserves**

<b>Group</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>
At 28 February 2003	714,948	(790,614)
Retained loss for the year	-	(122,207)
At 29 February 2004	<u>714,948</u>	<u>(912,821)</u>

  

<b>Company</b>	<b>Share premi £</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
At 28 February 2003	714,948	-	(790,614)
Revaluation of fixed assets	-	118,313	-
Retained loss for the year	-	-	(240,520)
At 29 February 2004	<u>714,948</u>	<u>118,313</u>	<u>(1,031,134)</u>

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

**17 Reconciliation of movements in shareholders' funds**

<b>Group</b>	<b>2004 £</b>	<b>2003 £</b>
Loss on ordinary activities after taxation	(122,207)	(1,121,453)
Issues of ordinary share capital	-	1,078,949
Share issue costs	-	(64,849)
Net decrease in shareholders' funds	<u>(122,207)</u>	<u>(107,353)</u>
Opening shareholders' funds	793,010	900,363
Closing shareholders' funds	<u>670,803</u>	<u>793,010</u>

**18 Contingent liabilities**

The group had no contingent liabilities at 29 February 2004 or 28 February 2003.

**19 Capital commitments**

The group had no capital commitments at 29 February 2004 or 28 February 2003.

**20 Reconciliation of operating loss with net cash outflow from operating activities**

	2004 £	2003 £
Operating loss	(1,480)	(181,831)
Increase in debtors	(24,398)	(381)
Increase/(decrease) in creditors	947	(103,058)
Net cash outflow from operating activities	<u>(24,931)</u>	<u>(285,270)</u>

**21 Reconciliation of net cash flow to movement in net (debt)/funds**

	2004 £	2003 £
Decrease in cash	(288,797)	(689,868)
Advance of bank loan	(873,938)	-
Net funds at the beginning of the year	314,758	1,004,626
Net (debt)/funds at the end of the year	<u>(847,977)</u>	<u>314,758</u>

**22 Analysis of changes in net (debt)/ funds**

	At 28 February 2003 £	Cash flow £	At 29 February 2004 £
Cash at bank and in hand	314,758	(288,797)	25,961
Bank loan	-	(873,938)	(873,938)
	<u>314,758</u>	<u>(1,162,735)</u>	<u>(847,977)</u>

**23 Transactions with directors and other related parties**

During the year, the company made a further equity investment in Blue Chip Casinos Plc. Details of this investment is disclosed in note 8. In addition, the company charged Blue Chip an arrangement fee of £Nil (2003 : £13,055). Mr R W Stevens is a director and shareholder of this company.

During the year the company obtained a short term loan of £550,650 from Innobox Plc to assist in the funding of the purchase of the freehold property until such time as the mortgage funds were available. The company paid £7,680 for charges and interest in connection with this loan, which was repaid in full during the year. Mr R W Stevens is a director and shareholder of this company.

Services amounting to £18,648 (2003 : £47,305), relating to project management fees, accountancy services and re-imburement of expenses, were purchased from Meriden Holdings Limited, of which £Nil (2003 : £3,683) remains unpaid at the year end. Mr R W Stevens is a director of Meriden Holdings Limited.

**23 Transactions with directors and other related parties (continued)**

Services amounting to £15,158 (2003 : £35,925), relating to Mr R W Stevens' services as a director, were purchased from Hamiltons Securities, of which £Nil (2003 : £Nil) remained unpaid at the year end. Mr R W Stevens is a partner in Hamiltons Securities. In addition, R W Stevens received an amount of £3,136 (2003 : Nil) as compensation for providing a personal guarantee on the bank loans drawn during the year.

Services amounting to £6,042 (2003 : £24,356), relating to Mr B S North's services as a director and reimbursement of expenses, were purchased from Brian North Associates, of which £Nil (2003 : £220) remained unpaid at the year end. Mr B S North is a partner in Brian North Associates.

Services amounting to £7,807 (2003 : £19,295), relating to Mr N B Fitzpatrick's services as a director and reimbursement of expenses, were purchased from Ocean Park Developments Limited, of which £Nil (2003 : £200) remained unpaid at the year end. Mr N B Fitzpatrick is a director of Ocean Park Developments Limited.

During the year the company has made a short term unsecured loan to a Mr C Parry, a director of Blue Chip Casinos Plc, totalling £145,000. The loan is repayable on 31 December 2004 and bears interest at a rate of 2% above the base rate of the Bank of Scotland. Mr R W Stevens is a director and shareholder of Blue Chip Casinos Plc.

## **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 31 Hyde Park Garden Mews, London, W2 2NX on 9 July 2004 at 12:15pm for the transaction of the following ordinary business:

1. To approve the audited accounts for the company for the year ended 29 February 2004.
2. To reappoint Russell Stevens a director who, retires and being eligible, offers himself for re-election.
3. To appoint Grant Thornton UK LLP as auditors and to authorise the directors to fix their remuneration. On 1 July 2004 the Grant Thornton partnership will convert to a Limited Liability partnership called Grant Thornton UK LLP. Under Section 26(5) of the Companies Act 1989, the directors extended the appointment to Grant Thornton UK LLP with effect from 1 July 2004.
4. To transact any other business of an annual general meeting.

By order of the Board

Russell Stevens

Company Secretary

10 June 2004

*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 12:15pm on 7 July 2004 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 12:15 pm on 7 July 2004.**

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 9 July 2004

**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 9 July 2004 at 31 Hyde Park Garden Mews, London, W2 2NX 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.

<b>ORDINARY BUSINESS</b>	<b>FOR</b>	<b>AGAINST</b>
1. To approve the audited accounts for the Company for the year ended 29 February 2004.	<input type="checkbox"/>	<input type="checkbox"/>
2. To reappoint Russell Stevens	<input type="checkbox"/>	<input type="checkbox"/>
3. To appoint Grant Thornton UK LLP as auditors of the Company and to authorise the Directors to fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>

Dated \_\_\_\_\_ 2004

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