

Registration number 01029101(England & Wales)

London Property Construction Limited

Directors' report and financial statements

for the year ended 31 December 2001



London Property Construction Limited

Company information

Directors	D. Tahernia Dr. M.I. Tahernia
Secretary	B. Tasdighi
Company number	01029101(England & Wales)
Registered office	Lower Ground Floor 12 Seymour Street London W1H 7HT
Accountants	Michael King & Co Lower Ground Floor 12 Seymour Street London W1H 7HT
Bankers	Allied Irish Bank PLC Kilburn Branch 103 Kilburn High Road London NW6 6JQ

London Property Construction Limited

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London Property Construction Limited

Directors' report for the year ended 31 December 2001

The directors present their report and the financial statements for the year ended 31 December 2001.

Principal activity

The principal activity of the company is to deal in property. Such activities include purchases, disposals, conversions and lettings.

Results and dividends

The results for the year are set out on page 3.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

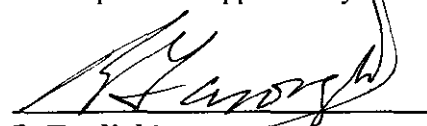
	Ordinary shares	
	31/12/01	01/01/01
D. Tahernia	99	99
M.I. Tahernia	1	1

Accountants

The directors recommend that Michael King & Co remain in office until further notice.

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

This report was approved by the Board on and signed on its behalf by


B. Tasdighi
Secretary

**Accountants' report on the unaudited financial statements to the directors of
London Property Construction Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2001 set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.

As explained in note 18, we were unable to prepare complete accounts for the year because at 16 July 2003 we still had not been given the relevant information on the Joint Ventures financial statements for the year. We consider the Joint Ventures to be material and the accounts must be seen in that light.

Michael King & Co

Michael King & Co

Lower Ground Floor
12 Seymour Street
London W1H 7HT

Date:

16/07/03



London Property Construction Limited

**Profit and loss account
for the year ended 31 December 2001**

		2001	2000
	Notes	£	£
Turnover	2	113,754	480,983
Cost of sales		(32,889)	(355,755)
Gross profit		<u>80,865</u>	<u>125,228</u>
Administrative expenses		(22,052)	(28,208)
Operating profit	3	<u>58,813</u>	<u>97,020</u>
Investment income		-	(13,425)
Other interest receivable and similar income		434	1,594
Interest payable and similar charges	5	<u>(3,836)</u>	<u>(2,765)</u>
Profit on ordinary activities before taxation		55,411	82,424
Tax on profit on ordinary activities	6	<u>17,851</u>	<u>(21,694)</u>
Retained profit for the year		<u>73,262</u>	<u>60,730</u>
Retained profit brought forward		488,029	427,299
Retained profit carried forward		<u><u>561,291</u></u>	<u><u>488,029</u></u>

The notes on pages 6 to 10 form an integral part of these financial statements.

London Property Construction Limited

**Balance sheet
as at 31 December 2001**

	Notes	2001		2000	
		£	£	£	£
Fixed assets					
Tangible assets	7		4,240		5,655
Investments	8		429,183		445,841
			<u>433,423</u>		<u>451,496</u>
Stocks	9	141,072		172,428	
Debtors	10	-		355	
Cash at bank and in hand		81,994		33,976	
		<u>223,066</u>		<u>206,759</u>	
Creditors: amounts falling due within one year	12	<u>(95,098)</u>		<u>(170,126)</u>	
Net current assets			<u>127,968</u>		<u>36,633</u>
Net assets			<u><u>561,391</u></u>		<u><u>488,129</u></u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		561,291		488,029
Shareholders' funds	15		<u><u>561,391</u></u>		<u><u>488,129</u></u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 10 form an integral part of these financial statements.

London Property Construction Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2001**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2001 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board on and signed on its behalf by

D. Tahernia
Director



M.I. Tahernia



The notes on pages 6 to 10 form an integral part of these financial statements.

London Property Construction Limited

Notes to the financial statements for the year ended 31 December 2001

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5. Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

Operating profit is stated after charging:

	2001 £	2000 £
Depreciation and other amounts written off tangible assets	1,414	1,884
Auditors' remuneration	-	3,713

4. Interest receivable and similar income

	2001 £	2000 £
Bank interest	434	1,594

London Property Construction Limited

**Notes to the financial statements
for the year ended 31 December 2001**

..... continued

5. Interest payable and similar charges	2001	2000
	£	£
Included in this category is the following:		
On loans and overdrafts	<u>-</u>	<u>2,765</u>

6. Tax on profit on ordinary activities		
Analysis of charge in period	2001	2000
	£	£
UK corporation tax	<u>(17,851)</u>	<u>21,694</u>
Total current tax charge	<u>(17,851)</u>	<u>21,694</u>
Tax on profit on ordinary activities	<u>(17,851)</u>	<u>21,694</u>

7. Tangible fixed assets	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2001	<u>7,778</u>	<u>4,760</u>	<u>12,538</u>
At 31 December 2001	<u>7,778</u>	<u>4,760</u>	<u>12,538</u>
Depreciation			
At 1 January 2001	4,678	2,206	6,884
Charge for the year	775	639	1,414
At 31 December 2001	<u>5,453</u>	<u>2,845</u>	<u>8,298</u>
Net book values			
At 31 December 2001	<u>2,325</u>	<u>1,915</u>	<u>4,240</u>
At 31 December 2000	<u>3,100</u>	<u>2,554</u>	<u>5,654</u>

London Property Construction Limited

**Notes to the financial statements
for the year ended 31 December 2001**

..... continued

8. Fixed asset investments	Other unlisted investments £	Total £
Cost		
At 1 January 2001	445,841	445,841
Increase in funds allocated to JV with Lysekil Properties Limited	31,539	31,539
Loan repayments by Son Vitamina SA	(48,197)	(48,197)
At 31 December 2001	<u>429,183</u>	<u>429,183</u>
Net book values		
At 31 December 2001	<u>429,183</u>	<u>429,183</u>
At 31 December 2000	<u>445,841</u>	<u>445,841</u>

	Loan to Son Vitamina SA	Joint Venture with Lysekil Properties LTD
	£	£
Opening balances	177,273	268,568
Repayment of loan	(48,197)	
Funding of Joint Venture		31,539
Closing balances	<u>129,076</u>	<u>300,107</u>

9. Stocks	2001 £	2000 £
Stocks	<u>141,072</u>	<u>172,428</u>

The property held comprises of:

Flats 2 and 3 Norbury Court Road

41 The Woodlands

London Property Construction Limited

**Notes to the financial statements
for the year ended 31 December 2001**

..... continued

10. Debtors	2001	2000
	£	£
Trade debtors	<u>-</u>	<u>355</u>
11. Current asset investments	2001	2000
	£	£
Allied Irish Bank Bond	<u>5,000</u>	<u>5,000</u>
	<u>5,000</u>	<u>5,000</u>
12. Creditors: amounts falling due within one year	2001	2000
	£	£
Corporation tax	32,601	108,674
Other taxes and social security costs	1,850	2,450
Directors' accounts	48,354	46,105
Other creditors	8,843	8,843
Accruals and deferred income	3,450	4,054
	<u>95,098</u>	<u>170,126</u>
13. Share capital	2001	2000
	£	£
Authorised		
100.00 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

London Property Construction Limited

Notes to the financial statements for the year ended 31 December 2001

..... continued

14. Reserves	Profit and loss account	Total
	£	£
At 1 January 2001	488,029	488,029
Retained profit for the year	73,262	73,262
At 31 December 2001	<u>561,291</u>	<u>561,291</u>

15. Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the year	73,262	60,730
Opening shareholders' funds	<u>488,129</u>	<u>427,399</u>
Closing shareholders' funds	<u>561,391</u>	<u>488,129</u>

16. Related party transactions

Mr. D. Tahernia and Dr. Tahernia are both directors of the Company and the only shareholders.

Mr. D. Tahernia is owed £48,354 by the Company (2001 - £46,104).

17. Controlling interest

The controlling interest in the Company is Mr. D. Tahernia, who owns 99 out of the 100 shares issued.

18. Joint Ventures

These accounts do not include the results of the Company's participation in Joint Ventures in the year. The omission results from the boards inability to obtain financial statements in satisfactory form from those ventures. The responsibility for the financial affairs of the ventures was that of the Companys Joint Ventures partners and action has been ongoing to secure proper compliance by those partners.

London Property Construction Limited

Detailed trading profit and loss account and expenses schedule for the year ended 31 December 2001

	2001		2000	
	£	£	£	£
Income				
Property trading sales		87,101		452,343
Rental Income		26,653		28,640
		<u>113,754</u>		<u>480,983</u>
Cost of sales				
Opening stock of properties	172,428		194,400	
Purchases of property	-		318,814	
Direct costs	<u>1,533</u>		<u>14,969</u>	
	173,961		528,183	
Closing stock	<u>(141,072)</u>		<u>(172,428)</u>	
		<u>(32,889)</u>		<u>(355,755)</u>
Gross profit	71%	80,865	26%	125,228
Administrative expenses				
Use of premises	1,040		1,040	
Rates	-		706	
Service charges	2,069		4,271	
Insurance	916		1,242	
Life Assurance	864		864	
Light and heat	1,181		1,034	
Repairs and maintenance	368		4,886	
Telephone	971		359	
Motor expenses	2,054		2,981	
Travelling and entertainment	1,105		-	
Legal and professional	1,087		235	
Accountancy	6,445		1,763	
Audit	-		3,713	
Bank charges	1,823		2,917	
General expenses	411		17	
Subscriptions	304		296	
Depreciation on plant and machinery	775		1,033	
Depreciation on motor vehicles	<u>639</u>		<u>851</u>	
		<u>22,052</u>		<u>28,208</u>
Operating profit	52%	58,813	20%	97,020

London Property Construction Limited

**Detailed trading profit and loss account
and expenses schedule
for the year ended 31 December 2001**

	2001		2000	
	£	£	£	£
Other income and expenses				
Income from investments				
Net income from Joint Ventures	<u>-</u>	-	<u>(13,425)</u>	(13,425)
Interest receivable				
Bank deposit interest	<u>434</u>	434	<u>1,594</u>	1,594
Interest payable				
Bank interest	-		2,765	
Interest on overdue tax	<u>3,836</u>		<u>-</u>	
		(3,836)		(2,765)
Net profit for the year		<u><u>55,411</u></u>		<u><u>82,424</u></u>