

HAMAR (PROPERTIES) LIMITED

COMPANY NUMBER:

1345359

DIRECTORS:

H.D. Marks, Esq.
T. T. Jones, Esq.

COMPANY SECRETARY:

H.D. Marks, Esq.

REGISTERED OFFICE:

238-240 Bethnal Green Road,
LONDON,
E2 0AA.

ACCOUNTANTS:

Messrs. Jeffrey Altman & Company,
Chartered Accountants,
Wayman House,
141, Wickham Road,
Shirley,
CROYDON,
Surrey, CR0 8TE

BANKERS:

Lloyds Bank PLC,
35, Whitechapel High Street,
LONDON,
E1 7PH.



HAMAR (PROPERTIES) LIMITED

REPORT OF THE DIRECTORS

ACCOUNTS

The Directors herewith present their Report and the Unaudited Financial Statements of the Company for the year ended 31st December, 2000.

ACTIVITIES

The principal activity of the Company is that of Property Holding and Development and Equipment Hire.

REVIEW OF THE BUSINESS

A summary of the Company results during the trading year is set out in the attached Financial Statements.

DIRECTORS AND THEIR INTERESTS

The Directors who held Office throughout the year and their interests in the Shares of the Company, as shown in the Register of Directors Interests, were as stated below:

	<u>Class of Share</u>	<u>As at 31.12.2000</u>	<u>As at 31.12.1999</u>
H.D. Marks, Esq.	£1 Ordinary	375	375
T. T. Jones, Esq.	£1 Ordinary	100	100

DIRECTORS RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are obliged by law to prepare Financial Statements for each financial year and to present them annually to the Company's Members in Annual General Meeting.

The Financial Statements, of which the form and content is prescribed by the Companies Act, 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit or loss of the Company for that period, and they must comply with applicable accounting standards.

The Directors are also responsible for the adoption of suitable Accounting Policies and their consistent use in the Financial Statements, supported where necessary by reasonable and prudent judgements and estimates, and for applying the going concern basis to the Financial Statements unless it is not appropriate to presume that the Company will continue in business.

The Directors confirm that the above requirements have been complied with in the Financial Statements.

In addition, the Directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

HAMAR (PROPERTIES) LIMITED

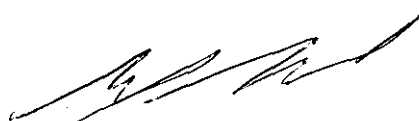
REPORT OF THE DIRECTORS (continued)

AUDITORS

In accordance with Section 388A of the Companies Act 1985, no resolution for the reappointment of Messrs. Jeffrey Altman & Company, Chartered Accountants, as Auditors of the Company will be proposed at the forthcoming Annual General Meeting, as the Company has availed itself of the exemption from having its Financial Statements audited, as permitted by Section 249A(1) of the Companies Act, 1985.

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

BY ORDER OF THE BOARD



.....
H.D. Marks, Esq.
Secretary

4th June, 2001

HAMAR (PROPERTIES) LIMITED

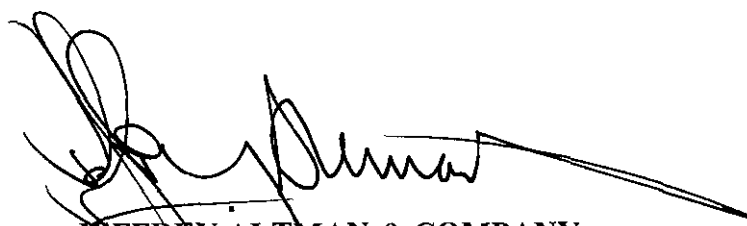
**ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF
HAMAR (PROPERTIES) LIMITED**

As described on the Balance Sheet you are responsible for the preparation of the annexed Accounts for the year ended 31st December, 2000, and you consider that the Company is exempt from an audit.

In accordance with your instructions, we have compiled these Unaudited Accounts in order to assist you fulfill your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Wayman House,
141, Wickham Road,
Shirley,
CROYDON,
Surrey, CR0 8TE.

4th June, 2001



JEFFREY ALTMAN & COMPANY
Chartered Accountants

HAMAR (PROPERTIES) LIMITED**UNAUDITED BALANCE SHEET AS AT 31st DECEMBER, 2000**

	NOTE	2000 £	1999 £
<u>FIXED ASSETS</u>			
Tangible	9	436,120	438,112
Investments	10	<u>506,966</u>	<u>506,966</u>
		943,086	945,078
<u>CURRENT ASSETS</u>			
Debtors falling due within one year	11	879	5,552
Cash at Bank and in Hand		<u>3,742</u>	<u>6,797</u>
		<u>4,621</u>	<u>12,349</u>
<u>LESS: CURRENT LIABILITIES</u>			
Creditors falling due within one year	12	<u>112,182</u>	<u>128,256</u>
<u>NET CURRENT LIABILITIES</u>		<u>(107,561)</u>	<u>(115,907)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		835,525	829,171
<u>LESS: LONG TERM LIABILITIES</u>			
Creditors falling due after more than one year	13	<u>158,390</u>	<u>170,352</u>
<u>NET ASSETS</u>		£ <u>677,135</u>	£ <u>658,819</u>
<u>CAPITAL AND RESERVES</u>			
<u>CALLED UP SHARE CAPITAL</u>	15	500	500
<u>PROFIT AND LOSS ACCOUNT</u>		<u>676,635</u>	<u>658,319</u>
		£ <u>677,135</u>	£ <u>658,819</u>

- (a) These modified Accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act, 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March, 2000).
- (b) We have done so on the grounds that the Company is entitled to the benefit of those exemptions on a small Company.
- (c) The Company was entitled to the exemption conferred by Section 249A(1) of the Companies Act, 1985 in respect of the year ended 31st December, 2000.
- (d) No Notice has been deposited in accordance with Section 249B(2) of the Companies Act, 1985 in relation to the Accounts for the year ended 31st December, 2000.
- (e) We acknowledge our responsibilities for:-
- ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act, 1985, and
 - preparing Accounts which give a true and fair view of the state of affairs of the Company as at 31st December, 2000 and of its profit for the year then ended in accordance with the requirements of Section 226 of the Companies Act, 1985 and which otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the Company.

.....)

) DIRECTORS

.....)

Approved by the Board

.....4th June..... 2001

HAMAR (PROPERTIES) LIMITED**UNAUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 2000**

		<u>2000</u>		<u>1999</u>	
	<u>NOTE</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>TURNOVER</u>	1, 2		84,932		59,973
<u>ADMINISTRATIVE EXPENSES</u>			<u>11,244</u>		<u>36,308</u>
<u>OPERATING PROFIT FOR THE YEAR</u>	3		73,688		23,665
<u>OTHER INCOME</u>	5		<u>402</u>		<u>432</u>
			74,090		24,097
<u>PROFIT ON DISPOSAL OF FREEHOLD LAND AND BUILDINGS</u>		-		77,153	
<u>PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENTS</u>		<u>-</u>	<u>-</u>	<u>186,291</u>	<u>263,444</u>
			74,090		287,541
<u>INTEREST PAYABLE</u>	6		<u>20,957</u>		<u>18,085</u>
<u>PROFIT ON ORDINARY ACTIVITIES FOR THE YEAR BEFORE TAXATION</u>			53,133		269,456
<u>TAXATION</u>	7		<u>(11,850)</u>		<u>41,243</u>
<u>PROFIT ON ORDINARY ACTIVITIES FOR THE YEAR AFTER TAXATION</u>			64,983		228,213
<u>DIVIDENDS</u>	8		<u>46,667</u>		<u>78,000</u>
			18,316		150,213
<u>RESERVES BROUGHT FORWARD</u>			<u>658,319</u>		<u>508,106</u>
<u>RESERVES CARRIED FORWARD</u>			<u>£ 676,635</u>		<u>£ 658,319</u>

HAMAR (PROPERTIES) LIMITED

NOTES TO THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 2000

1. ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company in the preparation of its Accounts.

(a) **Basis of Accounting**

The Accounts have been prepared in accordance with applicable Accounting Standards and under the Historical Cost Convention. The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from producing a cash flow statement on the grounds it is a small Company, as defined by the Companies Act, 1985.

(b) **Turnover**

Turnover represents the value of services provided, net of Value Added Tax.

(c) **Tangible Fixed Assets**

Depreciation is provided on all Tangible Fixed Assets, other than Freehold Land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life which is reviewed annually. The rates used are as follows:-

Freehold Land and Buildings	- 100 years
Plant and Equipment	- 15% straight line

(d) **Investment Properties**

Investment Properties are revalued periodically and the aggregate surplus or deficit is transferred to Revaluation Reserve. No depreciation is provided in respect of Investment Properties in accordance with SSAP19 and the Financial Reporting Standard for Smaller Entities. This constitutes a departure from the statutory rules requiring Fixed Assets to be depreciated over their economic useful life and is necessary to enable the Financial Statements to give a true and fair view. Depreciation is only one of the factors reflected in the periodic valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

(e) **Deferred Taxation**

Deferred Taxation is provided on the liability method on all timing differences which are expected to reverse in the foreseeable future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

2. TURNOVER

Turnover is attributable to the one principal activity of the Company and arises entirely in the United Kingdom.

HAMAR (PROPERTIES) LIMITED

NOTES TO THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 2000

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
3. <u>OPERATING PROFIT FOR THE YEAR</u>		
This is arrived at after charging:		
Depreciation and Amortisation		
- Owned Assets	1,992	1,992
Accountants' Remuneration	<u>850</u>	<u>800</u>
	<u>No.</u>	<u>No.</u>
4. <u>EMPLOYEES</u>		
The average weekly number of employees during the year comprised:-		
Administration and Management	<u>2</u>	<u>2</u>
	<u>£</u>	<u>£</u>
5. <u>OTHER INCOME</u>		
Bank Interest Receivable	£ <u>402</u>	£ <u>432</u>
6. <u>INTEREST PAYABLE</u>		
Bank Overdraft Interest	2,261	1,625
Bank Loan Interest	<u>18,696</u>	<u>16,460</u>
	£ <u>20,957</u>	£ <u>18,085</u>
7. <u>TAXATION</u>		
United Kingdom Corporation Tax at the prevailing Small Companies Rates of 10% and 20% (1999 - 20% and 21%), based on the adjusted profit for the year, payable on 1st October, 2001	9,986	41,243
Overprovision in prior year	(21,572)	-
Interest on the refund of overpaid Corporation Tax	(264)	-
	£ <u>(11,850)</u>	£ <u>41,243</u>
8. <u>DIVIDENDS</u>		
Interim Dividends of £93.334 (1999 - £156) on each issued £1 Ordinary Share paid during the year	46,667	78,000
No Final Dividend proposed	-	-
	£ <u>46,667</u>	£ <u>78,000</u>

HAMAR (PROPERTIES) LIMITED**NOTES TO THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 2000****9. FIXED ASSETS****Tangible**

	<u>Freehold Land and Buildings</u>	<u>Plant and Equipment</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>COST OR VALUATION</u>			
Balance as at 1st January, 2000	453,707	153,806	607,513
Balance as at 31st December, 2000	<u>453,707</u>	<u>153,806</u>	<u>607,513</u>
<u>Depreciation</u>			
Balance as at 1st January, 2000	15,596	153,805	169,401
Charge for the year	1,992	-	1,992
Balance as at 31st December, 2000	<u>17,588</u>	<u>153,805</u>	<u>171,393</u>
<u>NET BOOK VALUES:</u>			
As at 31st December, 1999	£ 438,111	£ 1	£ 438,112
As at 31st December, 2000	<u>£ 436,119</u>	<u>£ 1</u>	<u>£ 436,120</u>

10. INVESTMENTS HELD AS FIXED ASSETS

	<u>Freehold Properties</u>
	<u>£</u>
<u>COST OR VALUATION</u>	
Balance as at 1st January, 2000	506,966
Balance as at 31st December, 2000	<u>£ 506,966</u>

The Directors' opinion is that the properties have a value in excess of £120,000. However, in view of the current state of the property market, they decided that prudent practice determines that the properties should be reflected at cost.

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
11. <u>DEBTORS</u> - falling due within one year		
Recoverable Income Tax	-	2,848
Prepayments	879	2,704
	<u>£ 879</u>	<u>£ 5,552</u>
12. <u>CREDITORS</u> - falling due within one year		
Bank Overdraft	31,654	-
Bank Loans	28,800	28,800
Corporation Tax (Note 7)	9,986	41,243
Other Creditors	38,835	54,338
Accruals	2,907	3,875
	<u>£ 112,182</u>	<u>£ 128,256</u>

HAMAR (PROPERTIES) LIMITED

NOTES TO THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 2000

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
13. <u>CREDITORS</u> - falling due after more than one year		
Bank Loans	£ 158,390	£ 170,352

The Bank Overdraft and Bank Loans are secured on certain of the Company's Freehold Properties. The Bank Loans falling due after more than one year are repayable between one and five years, by way of instalments.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
<u>Deferred taxation</u>		
Balance as at 1st January, 2000	-	-
Transfer to profit and loss account	-	-
<u>Balance as at 31st December, 2000</u>	£ -	£ -

The amount of deferred taxation unprovided in these Accounts is:-

Potential tax on rolled over gain	£ 50,000	£ 50,000
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15. CALLED UP SHARE CAPITAL

Authorised

5,000 Ordinary Shares of £1 each

£ 5,000	£ 5,000
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Allotted, Issued and Fully Paid

500 Ordinary Shares of £1 each

£ 500	£ 500
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16. RELATED PARTY TRANSACTIONS

During the year the Company received rents of £25,000 (1999 - £25,000) from Hamar Acrylic Fabrications Limited, a Company of which both H.D. Marks, Esq. and T.T. Jones, Esq. are Directors and in which they are also Shareholders.

All of the above transactions were made at arms length prices on normal commercial terms.