



GILBRAN (MANAGEMENT) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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GILBRAN (MANAGEMENT) LIMITED

COMPANY INFORMATION

Directors

H B Hart
N P Smith

Secretary**Company number**

3379174

Registered office

25 Harley Street
London
W1G 9BR

Auditors

Gerald Edelman
25 Harley Street
London
W1G 9BR

Business address

Buckingham Court
75-83 Buckingham Gate
London
SW1E 6PE

GILBRAN (MANAGEMENT) LIMITED

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GILBRAN (MANAGEMENT) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

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

Principal activities and review of the business

The principal activity of the company is to manage and co-ordinate the affairs of the Gilbran Group.

Results and dividends

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

The directors do not propose to declare a dividend in respect of the year under review.

Directors

The following directors have held office since 1 January 2001:

H B Hart
N P Smith

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2001	1 January 2001
H B Hart	-	-
N P Smith	-	-

The company is a wholly-owned subsidiary of Gilbran Group Limited and the directors' interests in the shares of that company are shown in its own directors report.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board


N P Smith
Director

18 June 2002

GILBRAN (MANAGEMENT) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GILBRAN (MANAGEMENT) LIMITED

We have audited the financial statements of Gilbran (Management) Limited on pages 3 to 8 for the year ended 31 December 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

18 June 2002

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

GILBRAN (MANAGEMENT) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	540,446	199,720
Administrative expenses		(437,781)	(390,014)
Operating profit/(loss)	3	102,665	(190,294)
Other interest receivable and similar income		1,313	560
Interest payable and similar charges	4	(1,317)	(1,390)
Profit/(loss) on ordinary activities before taxation		102,661	(191,124)
Tax on profit/(loss) on ordinary activities	5	(4,061)	(1,900)
Profit/(loss) on ordinary activities after taxation	10	98,600	(193,024)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GILBRAN (MANAGEMENT) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	6		2,929		3,909
Current assets					
Debtors	7	252,362		511,425	
Cash at bank and in hand		20,965		74,811	
		<u>273,327</u>		<u>586,236</u>	
Creditors: amounts falling due within one year	8	<u>(371,482)</u>		<u>(783,969)</u>	
Net current liabilities			<u>(98,155)</u>		<u>(197,733)</u>
Total assets less current liabilities			<u>(95,226)</u>		<u>(193,824)</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		<u>(95,228)</u>		<u>(193,826)</u>
Shareholders' funds - equity interests	11		<u>(95,226)</u>		<u>(193,824)</u>

The financial statements were approved by the Board on 18 June 2002


 N P Smith
 Director

GILBRAN (MANAGEMENT) 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.

The financial statements are prepared on going concern principles, on the basis that the parent company has indicated their continued financial support of the company's activities for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment : 25% reducing balance

2 Turnover

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

3 Operating profit/(loss)	2001	2000
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	980	1,303
Auditors' remuneration	15,820	8,040
	<u> </u>	<u> </u>

4 Interest payable	2001	2000
	£	£
On bank loans and overdrafts	1,317	1,390
	<u> </u>	<u> </u>

5 Taxation	2001	2000
	£	£
Domestic current year taxation		
Adjustment for prior years	4,061	1,900
	<u> </u>	<u> </u>

There is no charge to corporation tax due to the availability of taxation losses, subject to agreement by the Inland Revenue.

GILBRAN (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

6 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2001 & at 31 December 2001	5,889
Depreciation	
At 1 January 2001	1,980
Charge for the year	980
At 31 December 2001	2,960
Net book value	
At 31 December 2001	2,929
At 31 December 2000	3,909

7 Debtors	2001 £	2000 £
Amounts owed by group companies	-	497,154
Other debtors	252,362	14,271
	<u>252,362</u>	<u>511,425</u>

8 Creditors: amounts falling due within one year	2001 £	2000 £
Amounts owed to group undertakings	81,711	768,050
Taxes and social security costs	22,277	-
Other creditors	2,520	4,198
Accruals and deferred income	264,974	11,721
	<u>371,482</u>	<u>783,969</u>

GILBRAN (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

9 Share capital	2001	2000
	£	£
Authorised		
100 Ordinary shares of £ 1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
2 Ordinary shares of £ 1 each	2	2
	<hr/>	<hr/>
10 Statement of movements on profit and loss account		
		Profit and loss account
		£
Balance at 1 January 2001		(193,828)
Retained profit for the year		98,600
		<hr/>
Balance at 31 December 2001		(95,228)
		<hr/>
11 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit/(Loss) for the financial year	98,600	(193,024)
Opening shareholders' funds	(193,824)	(800)
	<hr/>	<hr/>
Closing shareholders' funds	(95,226)	(193,824)
	<hr/>	<hr/>
12 Employees		
Number of employees		
The average monthly number of employees (including directors) during the year was:		
	2001	2000
	Number	Number
Sales and administration	3	3
	<hr/>	<hr/>
Employment costs		
	£	£
Wages and salaries	24,553	21,520
Social security costs	3,114	2,093
	<hr/>	<hr/>
	27,667	23,613
	<hr/>	<hr/>

GILBRAN (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

13 Control

The company is a wholly-owned subsidiary of Gilbran Group Limited.

14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.