

Company Registration No. 3379174 (England and Wales)



GILBRAN (MANAGEMENT) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



GERALD EDELMAN

CHARTERED ACCOUNTANTS

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GILBRAN (MANAGEMENT) LIMITED

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GILBRAN (MANAGEMENT) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and financial statements for the year ended 31 December 2002.

Principal activities

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

Directors

The following directors have held office since 1 January 2002:

H B Hart	(Resigned 22 August 2002)
H Gibson	(Appointed 22 August 2002)
N Smith	

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2002	1 January 2002
H Gibson	-	-
N 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.

Charitable donations	2002 £	2001 £
During the year the company made the following payments:		
Charitable donations	746	25

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.

GILBRAN (MANAGEMENT) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

Directors' responsibilities

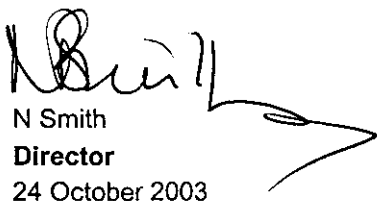
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

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

On behalf of the board


N Smith
Director
24 October 2003

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 4 to 8 for the year ended 31 December 2002. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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 auditor's 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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Gerald Edelman

Chartered Accountants
Registered Auditor

24 October 2003

25 Harley Street
London
W1G 9BR

GILBRAN (MANAGEMENT) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

		2002 £	2001 £
	Notes		
Turnover		738,740	540,446
Administrative expenses		(440,948)	(437,781)
Operating profit	2	297,792	102,665
Other interest receivable and similar income		3,141	1,313
Interest payable and similar charges	3	(565)	(1,317)
Profit on ordinary activities before taxation		300,368	102,661
Tax on profit on ordinary activities	4	-	(4,061)
Profit on ordinary activities after taxation	9	300,368	98,600

GILBRAN (MANAGEMENT) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	5		2,199		2,929
Current assets					
Debtors	6	437,375		252,362	
Cash at bank and in hand		18,836		20,965	
		<u>456,211</u>		<u>273,327</u>	
Creditors: amounts falling due within one year	7	<u>(253,269)</u>		<u>(371,482)</u>	
Net current assets/(liabilities)			202,942		(98,155)
Total assets less current liabilities			<u>205,141</u>		<u>(95,226)</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		205,139		(95,228)
Shareholders' funds			<u>205,141</u>		<u>(95,226)</u>

These financial statements 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 June 2002).

The financial statements were approved by the Board on 24 October 2003


N Smith
Director

GILBRAN (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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 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 Operating profit	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	730	980
Auditors' remuneration	17,610	15,820
	<u> </u>	<u> </u>
3 Interest payable	2002	2001
	£	£
On bank loans and overdrafts	565	1,317
	<u> </u>	<u> </u>
4 Taxation	2002	2001
	£	£
Domestic current year tax		
Adjustment for prior years	-	4,061
	<u> </u>	<u> </u>
Current tax charge	-	4,061
	<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 2002

5 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2002 & at 31 December 2002	5,889
Depreciation	
At 1 January 2002	2,960
Charge for the year	730
At 31 December 2002	3,690
Net book value	
At 31 December 2002	2,199
At 31 December 2001	2,929

6 Debtors

	2002 £	2001 £
Trade debtors	29,005	-
Amounts owed by group companies	408,370	-
Other debtors	-	252,362
	437,375	252,362

7 Creditors: amounts falling due within one year

	2002 £	2001 £
Amounts owed to group undertakings	-	81,711
Taxes and social security costs	22,999	22,277
Other creditors	4,580	2,520
Accruals and deferred income	225,690	264,974
	253,269	371,482

GILBRAN (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

8	Share capital	2002 £	2001 £
	Authorised		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>

9 Statement of movements on profit and loss account

**Profit and
loss
account
£**

Balance at 1 January 2002	(95,229)
Retained profit for the year	<u>300,368</u>
Balance at 31 December 2002	<u>205,139</u>

10 Control

The company is a wholly-owned subsidiary of Gilbran Group Limited. The ultimate controlling party is N P Smith.

11 Related party transactions

Included in debtors is an amount due from Gilbran Group Limited of £408,370 (2001 creditor £81,711). There are no specific terms of repayment nor interest attached to this amount.

Management charges of £700,000 were charged to fellow subsidiaries during the year.