

“Registrar”

Registration number 3426633

BKG Mortgages Limited

Directors' report and financial statements

for the year ended 31 December 2002



BKG Mortgages Limited

Company information

| | | |
|-------------------|---------------------------------------------------------------------------|------------------------------------------|
| Directors | M Bowler S Burrows L Wallis P Bright S Saunders | Appointed 16.08.02 Appointed 16.08.02 |
| Secretary | M Bowler | |
| Company number | 3426633 | |
| Registered office | 2-6 Sydenham Road Croydon Surrey CR0 9XE | |
| Accountants | Brooks Carling Addept House 34A Sydenham Road Croydon CR0 2EF | |

BKG Mortgages Limited

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BKG Mortgages Limited

**Directors' report
for the year ended 31 December 2002**

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

Incorporation and change of name

The company was incorporated on 29 August 1997 as Burrows Keith Properties Limited. The name of the company was changed to BKG Mortgages Limited on 22 November 2001.

Principal activity

The principal activity of the company was the arrangement of mortgages and loans. However, the company had no transactions as it did not trade during the year.

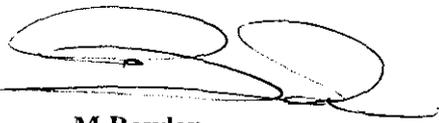
Directors and their interests

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

| | | Ordinary shares | |
|------------|--------------------|------------------------|----------|
| | | 31/12/02 | 01/01/02 |
| | | or date of appointment | |
| M Bowler | | - | - |
| S Burrows | | - | - |
| L Wallis | | - | - |
| P Bright | Appointed 16.08.02 | - | - |
| S Saunders | Appointed 16.08.02 | 5,000 | - |

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 31st December and signed on its behalf by
2002


M Bowler
Secretary

BKG Mortgages Limited

**Accountants' report on the unaudited financial statements to the directors of
BKG Mortgages Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2002 set out on pages 3 to 7 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.

This report is made solely to the company's shareholders, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our accountancy work or for this report.

Brooks Carling
Reporting Accountants
Addept House
34A Sydenham Road
Croydon

CR0 2EF

Date:



BKG Mortgages Limited

**Profit and loss account
for the year ended 31 December 2002**

| | 2002 | 2001 |
|----------------------------------------------------------|------|------|
| Notes | £ | £ |
| Profit on ordinary activities before taxation | - | - |
| Tax on profit on ordinary activities | - | - |
| Profit on ordinary activities after taxation | - | - |
| Retained profit for the year | - | - |

The notes on pages 6 to 7 form an integral part of these financial statements.

BKG Mortgages Limited

**Balance sheet
as at 31 December 2002**

| | | 2002 | | 2001 | |
|-----------------------------|-------|------------|------------|----------|----------|
| | Notes | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | 2 | 100 | | 2 | |
| | | <u>100</u> | | <u>2</u> | |
| Net current assets | | | 100 | | 2 |
| Net assets | | | <u>100</u> | | <u>2</u> |
| Capital and reserves | | | | | |
| Called up share capital | 3 | | 100 | | 2 |
| Shareholders' funds | | | <u>100</u> | | <u>2</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 7 form an integral part of these financial statements.

BKG Mortgages Limited

Balance sheet (continued)

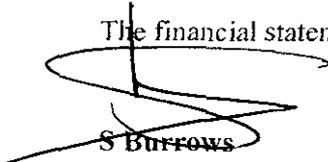
**Directors' statements required by Section 249B(4)
for the year ended 31 December 2002**

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 2002 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 19/4/04 and signed on its behalf by


S Burrows
Director

The notes on pages 6 to 7 form an integral part of these financial statements.

BKG Mortgages 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. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

| 2. Debtors | 2002 | 2001 |
|----------------------------------|-------------|-------------|
| | £ | £ |
| Called up share capital not paid | <u>100</u> | <u>2</u> |

BKG Mortgages Limited

**Notes to the financial statements
for the year ended 31 December 2002**

..... continued

| 3. Share capital | 2002 | 2001 |
|-------------------------------------------|-------------|-------------|
| | £ | £ |
| Authorised | | |
| 10,000 Ordinary shares of £0.01 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid | | |
| 10,000 Ordinary shares of £0.01 each | <u>100</u> | <u>2</u> |

During the year 98 ordinary shares of £1 each were allotted at par.
On the 27 July 2002, the entire share capital was subdivided into 10,000 shares of 1p each.

4. Controlling interest

50% of the allotted share capital is held by BKG Financial Services Limited, a company registered in England and Wales, in which the majority shareholders and directors are M Bowler, S Burrows and L Wallis.