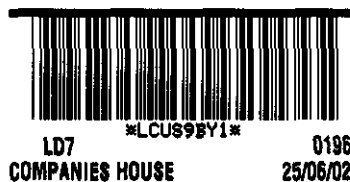




**GILBRAN (ASHFORD) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2001**



**GERALD EDELMAN**  
**CHARTERED ACCOUNTANTS**

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# GILBRAN (ASHFORD) LIMITED

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# **GILBRAN (ASHFORD) LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2001**

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

### **Principal activities and review of the business**

The principal activity of the company is that of property trading and development.

### **Results and dividends**

The results for the period are set out on page 4.

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

### **Market value of land and buildings**

The directors have revalued the stock of property to reflect the replacement cost of stock. This has been carried out in line with the alternative accounting rules embodied in the Companies Act 1985. This represents a change in accounting policy and as such the comparative figures have been restated to reflect this.

### **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. 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.

# GILBRAN (ASHFORD) LIMITED

## DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2001

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### 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 (ASHFORD) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GILBRAN (ASHFORD) LIMITED**

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We have audited the financial statements of Gilbran (Ashford) Limited on pages 4 to 10 for the period ended 31 December 2001. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of freehold land and buildings held as stock) and the accounting policies set out herein.

### **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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Gerald Edelman**

Chartered Accountants  
**Registered Auditor**

18 June 2002

25 Harley Street  
London  
W1G 9BR

# GILBRAN (ASHFORD) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2001

		Year ended 31 December 2001 £	Period ended 31 December 2000 £
	Notes		
Turnover	2	100,001	61,025
Administrative expenses		(72,403)	(34,675)
<b>Operating profit</b>	3	27,598	26,350
Other interest receivable and similar income		107	30
Interest payable and similar charges	4	(85,512)	(79,023)
<b>Loss on ordinary activities before taxation</b>		(57,807)	(52,643)
Tax on loss on ordinary activities	5	-	-
<b>Loss on ordinary activities after taxation</b>	11	(57,807)	(52,643)

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

# GILBRAN (ASHFORD) LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 31 DECEMBER 2001

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	Year ended 31 December 2001 £	Period ended 31 December 2000 £
Loss for the financial period	(57,807)	(52,643)
Prior year adjustment	335,063	-
Total gains and losses recognised since last financial statements	<u>277,256</u>	<u>(52,643)</u>

# GILBRAN (ASHFORD) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2001

		2001		2000 as restated	
	Notes	£	£	£	£
<b>Current assets</b>					
Stocks	6	1,300,000		1,300,000	
Debtors	7	10,482		28,114	
		<u>1,310,482</u>		<u>1,328,114</u>	
<b>Creditors: amounts falling due within one year</b>	8	(115,873)		(64,838)	
<b>Total assets less current liabilities</b>			1,194,609		1,263,276
<b>Creditors: amounts falling due after more than one year</b>	9		(969,896)		(980,756)
			<u>224,713</u>		<u>282,520</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Revaluation reserve	11		335,063		335,063
Profit and loss account	11		(110,450)		(52,643)
<b>Shareholders' funds - equity interests</b>	12		<u>224,713</u>		<u>282,520</u>

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

  
N P Smith  
Director



# GILBRAN (ASHFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2001

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings held as stock.

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.

In accordance with Financial Reporting Standard No 4, 'Capital Instruments' loans are included in the financial statements net of issue costs, which are amortised over the life of the loan.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable from the sale of property and all other property related income.

#### 1.4 Stock

Stock of property is shown at replacement cost in line with the alternative accounting rules embodied in the Companies Act 1985. This represents a change in accounting policy, the previous policy being to show stock at the lower of cost or net realisable value. This change has been dealt with by way of a prior period adjustment and as such the comparative figures have been restated.

#### 1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Turnover

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

### 3 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	(2,000)	4,320

### 4 Interest payable

	2001	2000
	£	£
On building society loan	85,512	79,023

### 5 Taxation

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

# GILBRAN (ASHFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2001

6	Stocks	2001 £	2000 £
	Stock of properties	1,300,000	1,300,000

The stock of property is shown at replacement cost in line with the alternative accounting rules embodied in the Companies Act 1985. The valuation was carried out in June 2000 by professionally qualified valuers Drivers Jonas. In the opinion of the directors this valuation is still valid at the balance sheet date.

The historical cost of the stock of property is £964,937. Should the properties be sold for this amount a liability to taxation would arise of approximately £66,000, this amount has not been provided.

7	Debtors	2001 £	2000 £
	Trade debtors	1,672	1,672
	Amounts owed by group undertakings	-	18,064
	Other debtors	8,810	8,378
		10,482	28,114

8	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank loans and overdrafts	18,572	18,572
	Trade creditors	-	895
	Amounts owed to group undertakings	72,301	9,857
	Taxes and social security costs	-	8,514
	Accruals and deferred income	25,000	27,000
		115,873	64,838

# GILBRAN (ASHFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2001

9 Creditors: amounts falling due after more than one year	2001 £	2000 £
Building society loan	979,096	993,023
Unamortised loan issue costs	(9,200)	(12,267)
	<u>969,896</u>	<u>980,756</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	988,468	999,328
	<u>988,468</u>	<u>999,328</u>
Included in current liabilities	(18,572)	(18,572)
	<u>969,896</u>	<u>980,756</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	18,572	18,572
In more than two years but not more than five years	979,096	55,716
In more than five years	-	918,735
	<u>-</u>	<u>918,735</u>

The loan is secured by a charge over the company's stock of property.

10 Share capital	2001 £	2000 £
<b>Authorised</b>		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

# GILBRAN (ASHFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2001

### 11 Statement of movements on profit and loss account

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2001	-	(52,643)
Prior year adjustment	335,063	-
	<hr/>	<hr/>
Balance at 1 January 2001 as restated	335,063	(52,643)
Retained loss for the period	-	(57,807)
	<hr/>	<hr/>
Balance at 31 December 2001	335,063	(110,450)
	<hr/>	<hr/>

### 12 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Loss for the financial period	(57,807)	(52,643)
Other recognised gains and losses	-	335,063
Proceeds from issue of shares	-	100
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(57,807)	282,520
Opening shareholders' funds	282,520	-
	<hr/>	<hr/>
Closing shareholders' funds	224,713	282,520
	<hr/>	<hr/>

### 13 Employees

#### Number of employees

There were no employees during the period apart from the directors.

### 14 Control

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

### 15 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.