

Company Registration No. 4036027 (England and Wales)



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



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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GILBRAN (HALESOWEN) LIMITED

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GILBRAN (HALESOWEN) 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 that of property development and trading.

Directors

The following directors have held office since 1 January 2002:

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

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
N P Smith	-	-
H Gibson	-	-

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.

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 P Smith

Director

24 October 2003

GILBRAN (HALESOWEN) LIMITED

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

We have audited the financial statements of Gilbran (Halesowen) Limited on pages 3 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 (as modified by the revaluation of certain current assets) 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 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 2002 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

24 October 2003

25 Harley Street
London
W1G 9BR

GILBRAN (HALESOWEN) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

		2002 £	2001 £
	Notes		
Turnover		161,793	45,363
Cost of sales		(390)	-
Gross profit		<u>161,403</u>	<u>45,363</u>
Administrative expenses		(102,463)	(112,582)
Operating profit/(loss)	2	<u>58,940</u>	<u>(67,219)</u>
Other interest receivable and similar income		661	82
Interest payable and similar charges		(86,119)	(67,920)
Loss on ordinary activities before taxation		<u>(26,518)</u>	<u>(135,057)</u>
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	9	<u>(26,518)</u>	<u>(135,057)</u>

GILBRAN (HALESOWEN) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 £	2001 £
Loss for the financial year	(26,518)	(135,057)
Unrealised surplus on revaluation of properties	20,469	528,425
Total recognised gains and losses relating to the year	<u>(6,049)</u>	<u>393,368</u>


GILBRAN (HALESOWEN) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 £	£	2001 £	£
Current assets					
Stock of property	4	2,150,000		2,100,000	
Debtors	5	50,966		123,570	
		<u>2,200,966</u>		<u>2,223,570</u>	
Creditors: amounts falling due within one year	6	(93,645)		(150,200)	
Total assets less current liabilities			2,107,321		2,073,370
Creditors: amounts falling due after more than one year	7	(1,720,000)		(1,680,000)	
		<u>387,321</u>		<u>393,370</u>	
Capital and reserves					
Called up share capital	8		2		2
Revaluation reserve	9	548,894		528,425	
Profit and loss account	9	(161,575)		(135,057)	
Shareholders' funds		<u>387,321</u>		<u>393,370</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 P Smith
Director

GILBRAN (HALESOWEN) 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 modified to include the revaluation of freehold land and buildings held as stock and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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

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.

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 Operating profit/(loss)

The audit fees are borne by a fellow subsidiary company.

3 Taxation

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

4 Stocks	2002 £	2001 £
Stocks	2,150,000	2,100,000

The stock of property is shown at replacement cost in line with alternative accounting rules embodied in the Companies Act 1985. The valuation was carried out in July 2002 by professionally qualified valuers Drivers Jonas. In the opinion of the directors this valuation is still valid at the balance sheet date. The historic cost of the stock of property is £1,571,575. Should the properties be sold for the revalued amount a liability to taxation would arise of approximately £115,000, this amount has not been provided for.

GILBRAN (HALESOWEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

5 Debtors	2002	2001
	£	£
Trade debtors	2,495	2,096
Other debtors	48,471	121,474
	<u>50,966</u>	<u>123,570</u>
 6 Creditors: amounts falling due within one year	 2002	 2001
	£	£
Amounts owed to group undertakings	51,483	107,634
Taxation and social security	912	-
Other creditors	41,250	42,566
	<u>93,645</u>	<u>150,200</u>
 7 Creditors: amounts falling due after more than one year	 2002	 2001
	£	£
Building society loan	<u>1,720,000</u>	<u>1,680,000</u>
 Analysis of loans		
Not wholly repayable within five years other than by instalments	<u>1,720,000</u>	<u>1,680,000</u>
 The mortgage is secured by fixed and floating charges over the stock of property and all other assets of the company.		
 8 Share capital	 2002	 2001
	£	£
Authorised		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid		
2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>

GILBRAN (HALESOWEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

9 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2002	528,425	(135,057)
Retained loss for the year	-	(26,518)
Revaluation during the year	20,469	-
	<hr/>	<hr/>
Balance at 31 December 2002	548,894	(161,575)
	<hr/>	<hr/>

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 creditors is an amount due to Gilbran Group Limited of £51,483 (2001 £107,634). There are no terms of interest nor repayment on this amount.

Management charges of £100,000 (2001 £25,000) were paid to Gilbran (Management Limited), a fellow subsidiary company.