

Company Registration No. 4036027 (England and Wales)



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



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GILBRAN (HALESOWEN) LIMITED

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GILBRAN (HALESOWEN) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2001

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

Incorporation

The company was incorporated on 18 July 2000 and commenced to trade in July 2000.

Principal activities and review of the business

The principal activity of the company is that of property 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 period under review.

Market value of land and buildings

The directors have revalued the stock of properties to reflect the replacement cost of the stock. This has been carried out in accordance with the alternative accounting rules embodied in the Companies Act 1985.

Directors

The following directors have held office since 18 July 2000:

H B Hart	(Appointed 18 July 2000)
N P Smith	(Appointed 18 July 2000)

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2001	18 July 2000
H B Hart	-	-
N P Smith	-	-

Auditors

Gerald Edelman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

GILBRAN (HALESOWEN) LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE PERIOD ENDED 31 DECEMBER 2001**

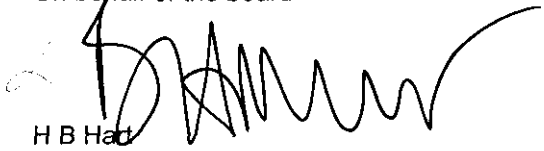
Directors' responsibilities

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



H B Had

Director

7 May 2002

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 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 certain fixed assets) 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 period then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

Chartered Accountants
Registered Auditor

7 May 2002

25 Harley Street
London
W1G 9BR

GILBRAN (HALESOWEN) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2001

	Notes	Period ended 31 December 2001 £
Turnover	2	45,363
Administrative expenses		(112,582)
Operating loss	3	(67,219)
Other interest receivable and similar income		82
Interest payable and similar charges	4	(67,920)
Loss on ordinary activities before taxation		(135,057)
Tax on loss on ordinary activities	5	-
Loss on ordinary activities after taxation	11	(135,057)

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

GILBRAN (HALESOWEN) LIMITED

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

	Period ended 31 December 2001 £
Loss for the financial period	(135,057)
Unrealised surplus on revaluation of properties	528,425
Total recognised gains and losses relating to the period	<u>393,368</u>

GILBRAN (HALESOWEN) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 £	£
Current assets			
Stocks	6	2,100,000	
Debtors	7	123,570	
		<u>2,223,570</u>	
Creditors: amounts falling due within one year	8	(150,200)	
		<u></u>	
Total assets less current liabilities			2,073,370
Creditors: amounts falling due after more than one year	9		(1,680,000)
			<u>393,370</u>
Capital and reserves			
Called up share capital	10		2
Revaluation reserve	11		528,425
Profit and loss account	11		(135,057)
			<u></u>
Shareholders' funds - equity interests	12		<u>393,370</u>

The financial statements were approved by the Board on 7 May 2002


H B Hart
Director


N P Smith
Director

GILBRAN (HALESOWEN) 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.

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 FRS4 (Capital Instruments) loans are included in the financial statements net of issue costs, which, where material, 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.

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 loss

The audit fees are borne by a fellow subsidiary company.

4 Interest payable

2001
£

On bank loans, building society loans and overdrafts

67,920

5 Taxation

On the basis of the results for the period there is no charge to corporation tax.

GILBRAN (HALESOWEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2001

6	Stocks	2001
		£
	Finished goods and goods for resale	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 September 2000 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 £135,000, this amount has not been provided for.

7	Debtors	2001
		£
	Trade debtors	2,096
	Other debtors	121,474
		<hr/>
		123,570

8	Creditors: amounts falling due within one year	2001
		£
	Amounts owed to parent and fellow subsidiary undertakings	107,634
	Accruals and deferred income	42,566
		<hr/>
		150,200

GILBRAN (HALESOWEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2001

9	Creditors: amounts falling due after more than one year	2001
		£
	Building society loans	1,680,000
		<u> </u>
	Analysis of loans	
	Not wholly repayable within five years other than by instalments:	
	Building society loan	1,680,000
		<u> </u>
		1,680,000
		<u> </u>
	Loan maturity analysis	
	In more than five years	1,680,000
		<u> </u>
	The mortgage is secured by fixed and floating charges over the stock of property and all other assets of the company.	

10	Share capital	2001
		£
	Authorised	
	100 Ordinary shares of £ 1 each	100
		<u> </u>
	Allotted, called up and fully paid	
	2 Ordinary shares of £ 1 each	2
		<u> </u>

During the year 2 ordinary shares of £1 each were allotted and fully paid at par for cash consideration.

11 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Retained loss for the period	-	(135,057)
Revaluation during the period	528,425	-
	<u> </u>	<u> </u>
Balance at 31 December 2001	528,425	(135,057)
	<u> </u>	<u> </u>

GILBRAN (HALESOWEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2001

12 Reconciliation of movements in shareholders' funds	2001
	£
Loss for the financial period	(135,057)
Other recognised gains and losses	528,425
Proceeds from issue of shares	2
	<hr/>
Net addition to shareholders' funds	393,370
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	<u>393,370</u>

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.