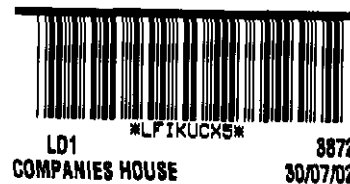


REGISTRAR'S COPY: Please return to H. W. FISHER & CO.

Company Registration No. 02485733 (England and Wales)

C2021

CENTURION DEVELOPMENTS LIMITED
DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2001



CENTURION DEVELOPMENTS LIMITED

COMPANY INFORMATION

Director	A C Draycott
Secretary	P Newton
Company number	02485733
Registered office	11 Prince Albert Street Brighton East Sussex BN1 1HE
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	Dunbar Bank 11-15 Sackville Street London W1A 2JP National Westminster Bank Plc PO Box 592 18 Cromwell Place London SW7 2LB Woolwich Plc Watling Street Bexleyheath Kent DA6 7RR
Solicitors	Woolley Bevis & Diplock Lanes End House 15 Prince Albert Street Brighton BN1 1HY Wilsons Steynings House Fisherton Street Salisbury Wiltshire SP2 7RJ

CENTURION DEVELOPMENTS LIMITED

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CENTURION DEVELOPMENTS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2001

The director presents his report and accounts for the year ended 31 March 2001.

Principal activities

The principal activity of the company continues to be that of owning, developing and managing property, the source of income being rent receivable.

Results and dividends

The profit for the year after taxation amounted to £10,564.

The director does not recommend payment of an ordinary dividend.

Director and his interests

The director at 31 March 2001 and his beneficial interest in the shares of the company was:

	Ordinary shares of £ 1 each	
	31 March 2001	1 April 2000
A C Draycott	49	49

A trust, The Centurion Settlement, whose principal beneficiary is C Draycott, owns 49 of the issued shares of the company.

Auditors

H W Fisher & Company were appointed auditors to the company and a resolution proposing that they be reappointed will be put to the members at the next Annual General Meeting.

On behalf of the Board

A C Draycott

Director

Dated:

29 July 2002

CENTURION DEVELOPMENTS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare accounts 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 accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

CENTURION DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Centurion Developments Limited for the year ended 31 March 2001 set out on pages 4 to 12. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of the director and auditors

As described on page 2 the company's director is responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 Director's Report is not consistent with the accounts, 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

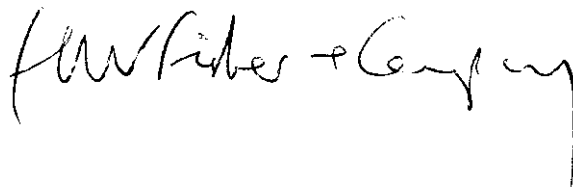
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H W Fisher & Company



Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER

Dated: 29 July 2002

CENTURION DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	2000 £
Turnover	2	350,319	276,627
Administrative expenses		(189,077)	(161,049)
Operating profit	3	161,242	115,578
Other income	5	-	176
Interest payable and similar charges	6	(146,783)	(107,027)
Profit on ordinary activities before taxation		14,459	8,727
Tax on profit on ordinary activities	7	(3,895)	(7,373)
Profit on ordinary activities after taxation		10,564	1,354
Accumulated loss brought forward		(173,206)	(174,560)
Accumulated loss carried forward		(162,642)	(173,206)

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

CENTURION DEVELOPMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2001

	2001	2000
	£	£
Profit for the financial year	10,564	1,354
Unrealised surplus on revaluation of properties	214,994	1,497,355
Total recognised gains and losses relating to the year	<u>225,558</u>	<u>1,498,709</u>

CENTURION DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	8	4,056,886	3,700,080
Current assets			
Debtors	9	15,961	10,826
Cash at bank and in hand		1,900	2,446
		<u>17,861</u>	<u>13,272</u>
Creditors: amounts falling due within one year	10	<u>(1,293,511)</u>	<u>(1,747,382)</u>
Net current liabilities		<u>(1,275,650)</u>	<u>(1,734,110)</u>
Total assets less current liabilities		<u>2,781,236</u>	<u>1,965,970</u>
Creditors: amounts falling due after more than one year	11	<u>(1,231,429)</u>	<u>(641,721)</u>
		<u>1,549,807</u>	<u>1,324,249</u>
Capital and reserves			
Called up share capital	12	100	100
Revaluation reserve	13	1,712,349	1,497,355
Profit and loss account		<u>(162,642)</u>	<u>(173,206)</u>
Shareholders' funds - all equity interests	14	<u>1,549,807</u>	<u>1,324,249</u>

The accounts were approved by the Board on 29 July 2002

A C Draycott
Director



CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2001

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and on a going concern basis.

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 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

1.3 Tangible fixed assets and depreciation

Other than investment properties, tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20%	straight line
Motor vehicles	20%	straight line

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. As the properties are held for their investment potential, the director considers that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be identified or quantified.

1.4 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 director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.5 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

2 Turnover

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

3 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	24,240	28,999
Auditors' remuneration	3,000	3,000

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2001

4 Employees

Number of employees

There were two employees during the year.

Employment costs

Wages and salaries

Social security costs

2001
£

2000
£

16,376

6,299

710

680

17,086

6,979

5 Other income

2001
£

2000
£

Interest receivable and similar income

-

176

6 Interest payable and similar charges

2001
£

2000
£

Interest payable on:

Bank loans and overdrafts

146,783

107,027

7 Tax on profit on ordinary activities

2001
£

2000
£

U.K. Current year taxation

U.K. Corporation tax at 20% (2000 - 20%)

3,895

7,373

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2001

8 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2000	3,640,000	76,001	52,333	3,768,334
Additions	37,504	9,530	-	47,034
Revaluation	351,394	-	-	351,394
Disposals	-	-	(45,873)	(45,873)
At 31 March 2001	4,028,898	85,531	6,460	4,120,889
Depreciation				
At 1 April 2000	-	40,437	27,818	68,255
On disposals	-	-	(28,492)	(28,492)
Charge for the year	-	17,106	7,134	24,240
At 31 March 2001	-	57,543	6,460	64,003
Net book value				
At 31 March 2001	4,028,898	27,988	-	4,056,886
At 31 March 2000	3,640,000	35,564	24,516	3,700,080

The freehold land and buildings were valued as at 31 March 2001 on an open market basis by the director.

The freehold land and buildings are held as longterm investments with no plans for disposal of these properties. Accordingly, no provision has been made for deferred tax in respect of the revaluation.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
Historical cost at 1 April 2000	2,142,645
Additions	37,504
Historical cost at 31 March 2001	2,180,149
Depreciation based on cost	
At 1 April 2000	160,969
Charge for the year	21,801
At 31 March 2001	182,770
Net book values	
At 31 March 2001	1,997,379
At 31 March 2000	1,981,676

All other tangible fixed assets are stated at historical cost.

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2001

9 Debtors	2001	2000
	£	£
Trade debtors	8,857	10,826
Prepayments and accrued income	7,104	-
	<u>15,961</u>	<u>10,826</u>
	<u><u>15,961</u></u>	<u><u>10,826</u></u>
10 Creditors: amounts falling due within one year	2001	2000
	£	£
Bank loans	12,339	689,307
Bank overdrafts	133,940	61,812
Corporation tax	10,612	7,488
Other taxes and social security costs	1,661	4,998
Director's current accounts	1,039,374	933,363
Other creditors	7,667	11,005
Accruals and deferred income	87,918	39,409
	<u>1,293,511</u>	<u>1,747,382</u>
	<u><u>1,293,511</u></u>	<u><u>1,747,382</u></u>

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2001

11 Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loans	<u>1,231,429</u>	<u>641,721</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loans	1,161,305	573,323
Wholly repayable within five years	<u>82,463</u>	<u>757,705</u>
	1,243,768	1,331,028
Included in current liabilities	<u>(12,339)</u>	<u>(689,307)</u>
	<u>1,231,429</u>	<u>641,721</u>
Loan maturity analysis		
Between one and two years	15,419	14,111
Between two and five years	54,705	54,287
In five years or more	<u>1,161,305</u>	<u>573,323</u>
	<u>1,231,429</u>	<u>641,721</u>

The bank loans are secured by way of various fixed charges over freehold land and property, together with floating charges over the assets of the company. Additionally, the director Charles Draycott has given personal guarantees in respect of certain of the loans. Finally, there is also a legal assignment over the rental income receivable in respect of certain of the freehold properties.

In respect of the various bank loans:

(i) Loan one (outstanding balance of £146,043) is repayable over a term of 12 years. The applicable rate of interest on this loan is 9.62%.

(ii) Loan two (outstanding balance of £319,375) is repayable over a term of 10 years. The applicable rate of interest on this loan is 1.5% above the three month LIBOR rate.

(iii) Loan three (outstanding balance of £692,075) is repayable over a term of 10 years. The applicable interest rate on this loan is 1.45% above the three month LIBOR rate. This loan was repaid in full in December 2001.

(iv) Loan four (outstanding balance of £86,275) is repayable over a term of 15 years. The applicable rate of interest on this loan is 1.75% over the Building Society's five year fixed rate.

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2001

12 Share capital	2001	2000
	£	£
Authorised		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
13 Statement of movements on reserves		
		Revaluation reserve
		£
Balance at 1 April 2000		1,497,355
Revaluation during the year		214,994
Balance at 31 March 2001		<u><u>1,712,349</u></u>
14 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the financial year	10,564	1,354
Other recognised gains and losses	<u>214,994</u>	<u>1,497,355</u>
Net addition to shareholders' funds	225,558	1,498,709
Opening shareholders' funds	<u>1,324,249</u>	<u>(174,460)</u>
Closing shareholders' funds	<u><u>1,549,807</u></u>	<u><u>1,324,249</u></u>
15 Related party transactions		
The balance relating to "Director's current accounts" as disclosed in note 10, represents the amount due to A C Draycott, a director of the company.		
16 Controlling parties		
The ultimate controlling party is A C Draycott, a director of the company.		