

[illegible]

CENTURION DEVELOPMENTS LIMITED

DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002



CENTURION DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	A C Draycott R Wilkins P Newton
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

CENTURION DEVELOPMENTS LIMITED

CONTENTS

	Page
Director's report	1
Statement of director's responsibilities	2
Auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the accounts	7 - 13

CENTURION DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and accounts for the year ended 31 March 2002.

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 loss for the year after taxation amounted to £268,101.

The directors do not recommend payment of an ordinary dividend.

Director and their interests

The director at 31 March 2002 and his beneficial interest in the shares of the company was:

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
A C Draycott	49	49

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

R Wilkins and P Newton were appointed as directors on 19 March 2003.

Charitable contributions

During the year the company made charitable donations of £16,610 (2001 : £nil).

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:



24 June 2003

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 2002 set out on pages 4 to 13. 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.

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 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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H W Fisher & Company

Chartered Accountants

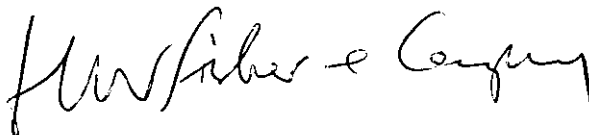
Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER



Dated: 24 June 2003

CENTURION DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Turnover	2	298,414	350,319
Administrative expenses		(207,320)	(189,077)
Operating profit	3	91,094	161,242
Other income	5	1,257	-
Interest payable and similar charges	6	(104,602)	(146,783)
(Loss)/profit on ordinary activities before taxation		(12,251)	14,459
Tax on (loss)/profit on ordinary activities	7	(255,850)	(3,895)
(Loss)/profit on ordinary activities after taxation		(268,101)	10,564
Accumulated loss brought forward		(162,642)	(173,206)
Transfers from revaluation reserve		918,605	-
Retained profit/(accumulated loss) carried forward		487,862	(162,642)

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 2002

	2002 £	2001 £
(Loss)/profit for the financial year	(268,101)	10,564
Unrealised surplus on revaluation of properties	243,017	214,994
Total recognised gains and losses relating to the year	<u>(25,084)</u>	<u>225,558</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2002 £	2001 £
Reported (loss)/profit on ordinary activities before taxation	(12,251)	14,459
Realisation of property revaluation gains of previous years	918,605	-
Historical cost profit on ordinary activities before taxation	<u>906,354</u>	<u>14,459</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>650,504</u>	<u>10,564</u>

CENTURION DEVELOPMENTS LIMITED

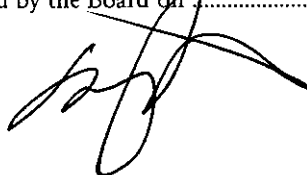
BALANCE SHEET

AS AT 31 MARCH 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	8	2,594,198	4,056,886
Current assets			
Debtors	9	94,222	15,961
Cash at bank and in hand		308,739	1,900
		<u>402,961</u>	<u>17,861</u>
Creditors: amounts falling due within one year	10	<u>(1,108,615)</u>	<u>(1,293,511)</u>
Net current liabilities		<u>(705,654)</u>	<u>(1,275,650)</u>
Total assets less current liabilities		<u>1,888,544</u>	<u>2,781,236</u>
Creditors: amounts falling due after more than one year	11	<u>(363,821)</u>	<u>(1,231,429)</u>
		<u>1,524,723</u>	<u>1,549,807</u>
Capital and reserves			
Called up share capital	12	100	100
Revaluation reserve	13	1,036,761	1,712,349
Profit and loss account		487,862	(162,642)
Shareholders' funds - all equity interests	14	<u>1,524,723</u>	<u>1,549,807</u>

The accounts were approved by the Board on

24 June 2003



A C Draycott
Director

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

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 validity of which is reliant on the ongoing support of the company's bankers, the directors and certain other creditors.

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 and yacht	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 tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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.

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

3	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Depreciation of owned tangible fixed assets	84,877	24,240
	Auditors' remuneration	3,500	3,000
		<u> </u>	<u> </u>
4	Employees		
	Number of employees		
	There were two employees during the year.		
	Employment costs	2002	2001
		£	£
	Wages and salaries	26,598	16,376
	Social security costs	1,226	710
		<u> </u>	<u> </u>
		27,824	17,086
		<u> </u>	<u> </u>
5	Other income	2002	2001
		£	£
	Interest receivable and similar income	1,257	-
		<u> </u>	<u> </u>
6	Interest payable and similar charges	2002	2001
		£	£
	Interest payable on:		
	Bank loans and overdrafts	99,697	146,783
	Late payment of tax	4,905	-
		<u> </u>	<u> </u>
		104,602	146,783
		<u> </u>	<u> </u>

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

7	Tax on (loss)/profit on ordinary activities	2002	2001
	Analysis of charge in period	£	£
	Current taxation		
	U.K. Corporation tax at 30% (2001 - 20%)	251,063	3,895
	Prior years		
	U.K. Corporation tax	4,787	-
		<u>255,850</u>	<u>3,895</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher/lower than the standard rate of corporation tax in the UK of 30% (2001 - 20%). The differences are explained below:

	2002	2001
	£	£
(Loss)/profit on ordinary activities before taxation	(12,251)	14,459
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 20%)	(3,675)	2,892
Effects of:		
Expenses not deductible/(income not chargeable) for tax purposes	5,383	2,289
Capital allowances for period reversed/(in excess of depreciation)	16,861	(608)
Chargeable disposals	284,467	
Other tax adjustments	(51,973)	(678)
	<u>251,063</u>	<u>3,895</u>

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

8 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles and yacht £	Total £
Cost or valuation				
At 1 April 2001	4,028,898	85,531	6,460	4,120,889
Additions	-	39,375	299,479	338,854
Revaluation	243,017	-	-	243,017
Disposals	(1,959,682)	-	-	(1,959,682)
At 31 March 2002	2,312,233	124,906	305,939	2,743,078
Depreciation				
At 1 April 2001	-	57,543	6,460	64,003
Charge for the year	-	24,981	59,896	84,877
At 31 March 2002	-	82,524	66,356	148,880
Net book value				
At 31 March 2002	2,312,233	42,382	239,583	2,594,198
At 31 March 2001	4,028,898	27,988	-	4,056,886

The freehold land and buildings were valued as at 31 March 2002 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 2001	2,180,149
Disposals	(904,677)
Historical cost at 31 March 2002	1,275,472
Depreciation based on cost	
At 1 April 2001	182,770
Charge for the year	12,754
On disposals	(95,964)
At 31 March 2002	99,560
Net book values	
At 31 March 2002	1,175,912
At 31 March 2001	1,997,379

All other tangible fixed assets are stated at historical cost.

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

9 Debtors	2002 £	2001 £
Trade debtors	4,985	8,857
Corporation tax	3,584	-
Other debtors	84,140	-
Prepayments and accrued income	1,513	7,104
	<u>94,222</u>	<u>15,961</u>

Included in other debtors is £22,750 which falls due after more than one year.

10 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans	54,532	12,339
Bank overdrafts	33,599	133,940
Trade creditors	10,690	-
Amounts owed to companies under common control	390,149	-
Corporation tax	251,063	10,612
Other taxes and social security costs	-	1,661
Director's current accounts	279,694	1,039,374
Other creditors	14,668	7,667
Accruals and deferred income	74,220	87,918
	<u>1,108,615</u>	<u>1,293,511</u>

The bank loans and overdrafts are secured by way of various fixed charges over freehold land and property, together with floating charges over the assets of the company. There is also a legal assignment over the rental income receivable in respect of certain of the freehold properties.

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

11 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	<u>363,821</u>	<u>1,231,429</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loans	206,648	1,161,305
Wholly repayable within five years	<u>211,705</u>	<u>82,463</u>
	418,353	1,243,768
Included in current liabilities	<u>(54,532)</u>	<u>(12,339)</u>
	<u>363,821</u>	<u>1,231,429</u>
Loan maturity analysis		
Between one and two years	57,526	15,419
Between two and five years	99,647	54,705
In five years or more	<u>206,648</u>	<u>1,161,305</u>
	<u>363,821</u>	<u>1,231,429</u>

The bank loans and overdrafts are secured by way of various fixed charges over freehold land and property, together with floating charges over the assets of the company. 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 £147,753) 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 £55,597) is repayable over a term of 2 years. The applicable rate of interest on this loan is 1.5% above the three month LIBOR rate.

(iii) Loan three (outstanding balance of £215,000) is repayable over a term of 10 years. The applicable interest rate on this loan is 1.0% above the FHBR rate.

12 Share capital	2002 £	2001 £
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>

CENTURION DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

13 Statement of movements on reserves

	Revaluation reserve £
Balance at 1 April 2001	1,712,349
Revaluation during the year	243,017
Revaluation surplus on properties disposed of, taken to profit and loss account as a realised ordinary item	(918,605)
Balance at 31 March 2002	1,036,761

14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
(Loss)/profit for the financial year	(268,101)	10,564
Other recognised gains and losses	243,017	214,994
Net (depletion in)/addition to shareholders' funds	(25,084)	225,558
Opening shareholders' funds	1,549,807	1,324,249
Closing shareholders' funds	1,524,723	1,549,807

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.