

ALSAM LIMITED

Company No: 461238

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2003

**COHEN, ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
LONDON NW11 0PU**



ALSAM LIMITED

DIRECTORS

B S E Freshwater
D Davis

SECRETARY

M R M Jenner, F.C.I.S.

REGISTERED OFFICE

Freshwater House
158 – 162 Shaftesbury Avenue
LONDON WC2H 8HR

AUDITORS

Cohen, Arnold & Co
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

ALSAM LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

Page

1 - 2 Report of the Directors

3 - 4 Auditors' Report

5 Balance Sheet

6 - 7 Notes to the Financial Statements

ALSAM LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the Financial Statements of the Company for the year ended 31 March 2003.

BUSINESS REVIEW

The Company has not traded during the year, has received no income and incurred no expenditure, and consequently has made neither a profit or a loss.

DIVIDEND

The Directors do not recommend the payment of a dividend for the year under review.

DIRECTORS AND DIRECTORS' INTERESTS

Neither the directors nor any member of their families have any interest in the share capital of the Company.

The interests of the directors in other group companies are disclosed in the Financial Statements of the ultimate parent company.

The Directors who served throughout the year and who are still in office are:

Mr B S E Freshwater

Mr D Davis

The Articles of Association do not require the Directors to retire by rotation.

Neither Director has a service contract with the Company, nor do they receive any emoluments from the Company.

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 its profit or loss for that year. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently.
- ii) make judgements and estimates that are reasonable and prudent.

ALSAM LIMITED

DIRECTOR'S REPORT (Cont'd)

DIRECTORS' RESPONSIBILITIES (Cont'd)

- iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements.
- iv) 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 maintaining 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.

DONATIONS

During the year, the Company made no charitable donations nor political contributions.

INCOME AND CORPORATION TAXES ACT 1988

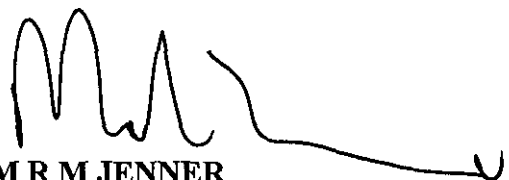
The Directors are advised that the Company is a close company within the meaning of the Act.

AUDITORS

The auditors, Cohen Arnold & Co. are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the Board to fix their remuneration will be proposed at the Annual General Meeting.

Head Office:
Freshwater House
158 – 162 Shaftesbury Avenue
London WC2H 8HR

BY ORDER OF THE BOARD


M R M JENNER
Secretary

Date: 30 July 2003

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

- OF -

ALSAM LIMITED

We have audited the Financial Statements on pages 5 to 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 DIRECTORS AND THE AUDITORS

As described on pages 1 and 2, the Directors of the company are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 judgments 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.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

- OF -

ALSAM LIMITED
(Continued)

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 at 31 March 2003 and have been properly prepared in accordance with the Companies Act 1985.



London

Date: 30 July 2003

COHEN, ARNOLD & CO
Chartered Accountants and
Registered Auditors

ALSAM LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	<u>2003</u> £	<u>2002</u> £
FIXED ASSETS			
Investment in Subsidiaries	2	1,500	1,500
CURRENT ASSETS			
Amounts due from group undertakings		25,075	25,075
		<u>£26,575</u>	<u>£26,575</u>
CAPITAL AND RESERVES			
Called up Share Capital	3	100	100
Profit and Loss Account	4	26,475	26,475
		<u>£26,575</u>	<u>£26,575</u>

The Financial Statements were approved by the Board of Directors on 30 July 2003 and were signed on its behalf by:

.....
B S E FRESHWATER
Director

The notes on pages 6 and 7 form part of this Financial Statement.

ALSAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

1. PRINCIPLE ACCOUNTING POLICIES

The following is a statement of the Principle Accounting Policies of the Company.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company owns the whole of the allotted ordinary share capital in Mineral and General Investments Limited.

No group accounts are submitted as the company, being a wholly owned subsidiary of another body corporate, is exempt under Section 229(2) of the Companies act 1985.

The subsidiary company did not trade during the year.

In the opinion of the directors, the value of the company's investment in its subsidiary is not less than the amount at which it is stated in the Balance Sheet.

3. CALLED UP SHARE CAPITAL

	<u>2003</u> £	<u>2002</u> £
<u>Authorised</u>		
100 ordinary shares of £1 each	£100	£100
 <u>Allotted, called up and fully Paid</u>		
100 ordinary shares of £1 each	£100	£100

ALSAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

4. PROFIT AND LOSS ACCOUNT

No Profit and Loss Account has been prepared as the Company has not received any income nor incurred any expenditure during the year.

5. PROPERTIES

The Company has a legal title to certain properties which have been transferred to its immediate parent company and included in the Financial Statements of that Company.

6. PARENT UNDERTAKINGS

The Company's parent undertaking is City and Country Properties (Midlands) Limited and its Ultimate Parent Undertaking is Daejan Holdings Plc. Both companies are incorporated in the United Kingdom and registered in England and Wales.

Daejan Holdings Plc is a close company within the meaning of the Income and Corporation Taxes Act 1988.