

Registration number 806646

Love Lane Investments Limited

Directors' report and financial statements

for the year ended 31 December 2002



Love Lane Investments Limited

Company information

Directors	Jamie Borwick (G R J Borwick) J A Craymer J Pawsey
Secretary	J A Craymer
Company number	806646
Registered office	1 Love Lane London EC2V 7HJ
Auditors	Janice Cope 251 Linnet Drive Chelmsford Essex CM2 8AZ
Bankers	The Royal Bank of Scotland PLC PO Box 412 62/63 Threadneedle Street London EC2R 8LA

Love Lane Investments Limited

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Love Lane Investments Limited

**Directors' report
for the year ended 31 December 2002**

The directors present their report and the financial statements for the year ended 31 December 2002.

Principal activity

The principal activity of the company are property and investment holding.

Directors and their interests

None of the directors had any interest in the shares of the company.

Charitable and political contributions

During the year the company contributed £514 to the Conservative party.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

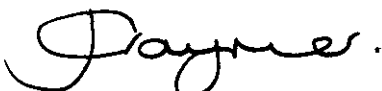
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Janice Cope were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 15 September 2003 and signed on its behalf by



**J A Craymer
Secretary**

Love Lane Investments Limited

Independent auditors' report to the shareholders of Love Lane Investments Limited

We have audited the financial statements of Love Lane Investments Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. 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 fixed assets and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities 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. However, the evidence available to us was limited because of the absence of a valuation of the property mentioned below.

Financial Reporting Standard for Smaller Entities (effective June 2002) requires that investment properties are included in the balance sheet at their open market value. However the company's investment property is included in the balance sheet at £3,098,229 being the cost less accumulated depreciation, which the directors consider to be the fair estimate of its value. In the absence of an open market valuation we are unable to determine whether there is any material difference between the book value and such a valuation.

Love Lane Investments Limited

Independent auditors' report to the shareholders of Love Lane Investments Limited continued

Opinion: disclaimer of view given by financial statements

Because of the possible effect of the limitation of evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.



**Janice Cope
Registered Auditors
15 September 2003**



**251 Linnet Drive
Chelmsford
Essex**

CM2 8AZ

Love Lane Investments Limited

**Profit and loss account
for the year ended 31 December 2002**

		2002	2001
	Notes	£	£
Turnover	2	394,332	415,494
Administrative expenses		(466,491)	(366,134)
Operating (loss)/profit	3	(72,159)	49,360
Investment income	4	11,067	33,200
Other interest receivable and similar income		14,166	16,230
Interest payable and similar charges		(302)	-
(Loss)/profit on ordinary activities before taxation		(47,228)	98,790
Tax on (loss)/profit on ordinary activities 6		-	128
(Loss)/retained profit for the year		(47,228)	98,918
Accumulated loss brought forward		(592,596)	(691,514)
Accumulated loss carried forward		(639,824)	(592,596)
Statement of total recognised gains and losses			
(Loss)/profit on ordinary activities after taxation		(47,228)	98,918
Unrealised movement on revaluation of shares		(22,133)	(520,127)
Total recognised losses relating to the year		(69,361)	(421,209)

The notes on pages 6 to 11 form an integral part of these financial statements.

Love Lane Investments Limited


**Balance sheet
as at 31 December 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		3,100,633		3,235,929
Investments	8		868,723		890,856
			<u>3,969,356</u>		<u>4,126,785</u>
Current assets					
Debtors	9	57,928		45,499	
Cash at bank and in hand		525,537		673,128	
		<u>583,465</u>		<u>718,627</u>	
Creditors: amounts falling due within one year	10	<u>(173,933)</u>		<u>(4,732,663)</u>	
Net current assets/(liabilities)			<u>409,532</u>		<u>(4,014,036)</u>
Total assets less current liabilities			<u>4,378,888</u>		<u>112,749</u>
Creditors: amounts falling due after more than one year	11		<u>(4,335,500)</u>		<u>-</u>
Net assets			<u><u>43,388</u></u>		<u><u>112,749</u></u>
Capital and reserves					
Called up share capital	12		6,250		6,250
Share premium account	13		16,244		16,244
Revaluation reserve	13		660,718		682,851
Profit and loss account	13		<u>(639,824)</u>		<u>(592,596)</u>
Shareholders' funds			<u><u>43,388</u></u>		<u><u>112,749</u></u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 15 September 2003 and signed on its behalf by

Jamie Borwick
Director



The notes on pages 6 to 11 form an integral part of these financial statements.

Love Lane Investments 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 certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), except that the investment property has not been included at its open market value as required by the standard.

Advantage has been taken of Section 248(1) Companies Act 1985 not to prepare Group Accounts.

1.2. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% straight line
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1.3. Investments

Listed investments held as fixed assets are stated at market value, based upon the price quoted in the London Stock Exchange as at 31 December. Unlisted investments held as fixed assets are stated at cost except where, in the opinion of the Directors, there has been a permanent diminution in value.

The Company's investment property comprises of a leasehold interest expiring in the year 2025. In the opinion of the Director's this is a short leasehold and accordingly depreciation is provided to write off the cost on a straight line basis over the unexpired term. The Investment Property is included in the financial statements at its cost less accumulated depreciation since, in the opinion of the directors, open market value is not a fair estimate of the worth of the property.

2. Turnover

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

3. Operating (loss)/profit

	2002 £	2001 £
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	138,465	137,700
Auditors' remuneration	1,550	1,600
Auditors' remuneration from non-audit work	1,300	1,300
and after crediting:		
Profit on disposal of tangible fixed assets	110	-

Love Lane Investments Limited

**Notes to the financial statements
for the year ended 31 December 2002**

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4. Income from investments	2002	2001
	£	£
Income from investments	<u>11,067</u>	<u>33,200</u>
5. Directors' emoluments	2002	2001
	£	£
Remuneration and other benefits	<u>73,833</u>	<u>72,708</u>
6. Tax on (loss)/profit on ordinary activities		
Analysis of charge in period	2002	2001
	£	£
Current tax		
UK corporation tax	-	(128)
Total current tax charge	<u>-</u>	<u>(128)</u>
Tax on profit on ordinary activities	<u>-</u>	<u>(128)</u>

Love Lane Investments Limited

Notes to the financial statements for the year ended 31 December 2002

..... continued

7. Tangible fixed assets	Short leasehold property £	Fixtures, fittings and equipment £	Total £
Cost/revaluation			
At 1 January 2002	4,898,425	5,630	4,904,055
Additions	-	3,799	3,799
Disposals	-	(630)	(630)
At 31 December 2002	4,898,425	8,799	4,907,224
Depreciation			
At 1 January 2002	1,662,496	5,630	1,668,126
Charge for the year	137,700	765	138,465
At 31 December 2002	1,800,196	6,395	1,806,591
Net book values			
At 31 December 2002	3,098,229	2,404	3,100,633
At 31 December 2001	3,235,929	-	3,235,929

Love Lane Investments Limited

Notes to the financial statements for the year ended 31 December 2002

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8. Fixed asset investments	Listed investments £	Other unlisted investments £	Total £
Cost			
At 1 January 2002	890,854	2	890,856
Revaluations	(22,133)	-	(22,133)
At 31 December 2002	868,721	2	868,723
Net book values			
At 31 December 2002	868,721	2	868,723
At 31 December 2001	890,854	2	890,856

Listed investments are stated at their market value, based upon the price quoted on the London Stock Exchange at 31 December. The historic cost of the investment is £208,003 (2001 £208,003).

Unlisted Investments of £2 represents 100% of the issued shares in Runnymede Lane Ltd and Croucher & Croucher (Cheam) Ltd at a cost of £1 each. Both companies are wholly owned subsidiaries of Love Lane Investments Ltd and both companies are registered in England & Wales.

Croucher & Croucher (Cheam Ltd) remained dormant throughout the year and as at 31 December 2001 had an issued share capital of £1 and no other reserves.

The business of Runnymede Lane Ltd is that of providing management and advisory services. It made a profit after tax of £3,823 (2001 £3,672) and as at 31 December 2002 it had an issued share capital of £1 (2001 £1) and reserves of £17,521 (2001 £13,698).

9. Debtors	2002 £	2001 £
Amounts owed by group undertakings	34,562	1,562
Other debtors	2,938	-
Prepayments and accrued income	20,428	43,937
	<u>57,928</u>	<u>45,499</u>

Love Lane Investments Limited

**Notes to the financial statements
for the year ended 31 December 2002**

..... continued

10.	Creditors: amounts falling due within one year	2002 £	2001 £		
	Amounts owed to group undertaking	-	4,575,000		
	Other taxes and social security costs	5,414	4,913		
	Other creditors	5,245	-		
	Accruals and deferred income	163,274	152,750		
		<u>173,933</u>	<u>4,732,663</u>		
11.	Creditors: amounts falling due after more than one year	2002 £	2001 £		
	Amounts owed to group undertakings	<u>4,335,500</u>	<u>-</u>		
12.	Share capital	2002 £	2001 £		
	Authorised				
	6,250 Ordinary shares of £1 each	<u>6,250</u>	<u>6,250</u>		
	Allotted, called up and fully paid				
	6,250 Ordinary shares of £1 each	<u>6,250</u>	<u>6,250</u>		
13.	Reserves	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
	At 1 January 2002	16,244	682,851	(592,596)	106,499
	Revaluation of property		(22,133)		(22,133)
	(Loss)/retained profit for the year			(47,228)	(47,228)
	At 31 December 2002	<u>16,244</u>	<u>660,718</u>	<u>(639,824)</u>	<u>37,138</u>

Love Lane Investments Limited

**Notes to the financial statements
for the year ended 31 December 2002**

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14. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	2002	2001	in year
	£	£	£
Jamie Borwick	2,938	-	2,938

This loan has been repaid by the Director since the year end.

15. Related party transactions

The managing Director Mr G R J Borwick was also a Director of Manganese Bronze Holdings Limited during the year. The Manganese Bronze Group head office and Zingo project office were occupied under license from Love Lane Investments Limited. The respective rents were £84,463 (2001 £88,979.39) and £90,000 (2001 £5,445) and were negotiated on an arms-length basis and at a rate which is comparable to other tenants in the same building that are unrelated to Manganese Bronze Holdings Limited and Mr Borwick.

16. Ultimate parent undertaking

The ultimate parent undertaking is regarded by the directors as being Rutland Investments Limited, incorporated in the Bahamas.