

LOVE LANE INVESTMENTS LIMITED

Accounts 31 December 2001

together with directors' and auditors' reports



Company number: 806646

LOVE LANE INVESTMENTS LIMITED

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LOVE LANE INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Mr Jamie Borwick Ms J A Craymer Mr J Pawsey
Secretary	Ms J A Craymer
Registered Office	1 Love Lane London EC2V 7JJ
Registered Number	806646
Auditors	Farringdon & Co Chartered Certified Accountants & Registered Auditors 176 Franciscan Road London SW17 8HH
Bankers	The Royal Bank of Scotland plc P O Box 412 62-63 Threadneedle Street London EC2R 8LA

LOVE LANE INVESTMENTS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2001

Financial Statements

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

Directors Responsibilities

Company law requires the directors to prepare the financial statements for each year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that year. 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;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

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.

Principal Activities & Results

The principal activities of the Company are property and investment holding. The results for the year are shown in the profit and loss account on 6.

The directors consider the results to be satisfactory and look forward to the future with confidence.

Dividend

No dividend is recommended.

LOVE LANE INVESTMENTS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001 (continued)**

Political and Charitable Donations

During the year the company made a political contribution of £11267 to The Conservative Party and £5000 to Business for Sterling.

Directors

The directors of the company during the year were:

G R J Borwick
J A Craymer
J Pawsey

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

Auditors

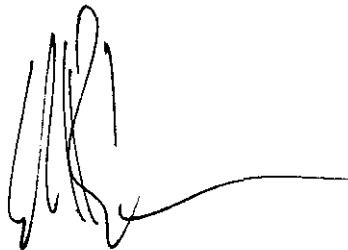
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Farrington & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

This report was approved by the board on 30/9/02

Mr G R J Borwick
Director

A handwritten signature in black ink, appearing to be 'G R J Borwick', with a long horizontal line extending to the right.

Independent auditors' report

To the shareholders of Love Lane Investments Limited

We have audited the financial statements on pages 6 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified to include the revaluation of fixed asset investments) and the accounting policies set out on page 8.

Respective responsibilities of the directors and the auditors

As described on page 2 the Company's directors are responsible for the preparation of 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 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 £3,235,929 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.

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 2001 and of its profit 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.

Farrington & Co

30 September 02

Farrington & Co
Chartered Certified Accountants & Registered Auditors
176 Franciscan Road
London SW17 8HH

LOVE LANE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
Rent Receivable		415,494	449,856
Administrative Expenses		(228,434)	(213,481)
Depreciation		(137,700)	(137,700)
Operating Profit	2	49,360	98,675
Income from other fixed asset investments		33,200	122,057
Interest receivable and similar income	3	16,230	6,806
Profit on disposal of investments		--	38,350
Amounts written off investments		--	(175,232)
Interest payable	3	--	(15,742)
Profit on ordinary activities before taxation		98,790	74,914
Tax on profit on ordinary activities	4	128	--
Profit for the financial year		98,918	74,914
Retained loss brought forward		(624,564)	(699,478)
Transfer to revaluation reserve	10	(66,950)	--
Retained loss carried forward		(592,596)	(624,564)

Statement of total recognised gains and losses

for the year ended 31 December 2001

	2001 £	2000 £
Profit for the financial year	98,918	74,914
Unrealised (deficit) / surplus on revaluation of listed investments	(520,127)	(857,656)
Total recognised (losses)/ gains relating to the year	(421,209)	(782,742)

The accompanying notes on pages 8 to 12 form an integral part of these financial statements.

LOVE LANE INVESTMENTS LIMITED

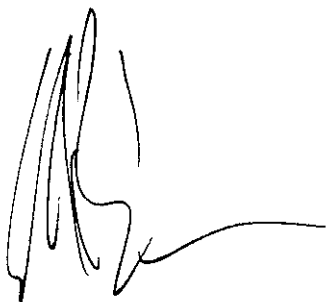
BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 £	2000 £
Fixed Assets			
Tangible assets	5	3,235,929	3,373,629
Investments	6	890,856	1,410,983
		<u>4,126,785</u>	<u>4,784,612</u>
Current Assets			
Debtors	7	45,499	119,265
Cash at bank and in hand		673,128	388,267
		<u>718,627</u>	<u>507,532</u>
Creditors :Amounts falling due within one year	8	(4,732,663)	(4,758,186)
Net current liabilities		<u>(4,014,036)</u>	<u>(4,250,654)</u>
Total assets less current liabilities		<u>112,749</u>	<u>533,958</u>
Net Assets		<u>112,749</u>	<u>533,958</u>
Capital and Reserves			
Called up share capital	9	6,250	6,250
Share premium account		16,244	16,244
Revaluation Reserve	10	682,851	1,136,028
Profit and Loss Account		(592,596)	(624,564)
Equity Shareholders' funds	11	<u>112,749</u>	<u>533,958</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the directors on 30/9/02 and are signed on their behalf by :

Mr G R J Borwick
Director



LOVE LANE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified to include listed investments at market value, 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.

(b) Investment Property

The company's investment property comprises of a leasehold interest expiring in the year 2025. In the opinion of the directors 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.

(c) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings - 25% Straight Line

(d) 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 permanent diminution in value.

2. Operating Profit is stated after charging:

	2001 £	2000 £
Auditors' remuneration: audit services	1,600	1,600
: non audit services	1,300	1,300
Depreciation	137,700	137,700
and after crediting:		
Net property income	415,494	449,856

LOVE LANE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (continued)

3. Interest

	2001 £	2000 £
Receivable		
Bank	16,214	6,806
Other	16	--
	<u>16,230</u>	<u>6,806</u>
Payable		
Bank Loans and Overdraft	--	15,742
	<u>--</u>	<u>15,742</u>

4. Taxation

	2001 £	2000 £
UK Corporation tax		
Prior year adjustment	(128)	--
	<u>(128)</u>	<u>--</u>

5. Tangible Fixed Assets

	Investment Property £	Fixtures and Fittings £	Total £
Cost			
At 1 January 2001	4,898,425	5,630	4,904,055
Additions during the year	-	-	-
At 31 December 2001	<u>4,898,425</u>	<u>5,630</u>	<u>4,904,055</u>
Depreciation			
At 1 January 2001	1,524,796	5,630	1,530,426
Charge for the year	137,700	-	137,700
At 31 December 2001	<u>1,662,496</u>	<u>5,630</u>	<u>1,668,126</u>
Net Book Value			
At 31 December 2001	<u>3,235,929</u>	<u>-</u>	<u>3,235,929</u>
At 31 December 2000	<u>3,373,629</u>	<u>-</u>	<u>3,373,629</u>

LOVE LANE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (continued)

6. Fixed Asset Investments

	Listed Investments £	Unlisted Investments £	Total £
Cost or net book value			
1 January 2001	1,410,981	2	1,410,983
Revaluation(see note 10)	(520,127)	-	(520,127)
31 December 2001	<u>890,854</u>	<u>2</u>	<u>890,856</u>

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 investments is £208,003 (2000 £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 £3,672 (2000 Profit £4,423) and as at 31 December 2001 it had an issued share capital of £1(2000 £1) and reserves of £13,698 (2000: £10,026).

7. Debtors

	2001 £	2000 £
Trade debtors and prepayments	43,937	38,353
Amounts owed by subsidiary undertaking	1,562	1,562
Other Debtors	--	79,000
Corporation tax recoverable		350
	<u>45,499</u>	<u>119,265</u>

LOVE LANE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (continued)

8. Creditors: Amounts falling due within one year

	£	£
Amount owed to parent undertaking	4,575,000	4,550,000
Other Creditors	15,279	20,026
Accrued interest	129,547	129,547
Other accruals and deferred income	12,837	58,613
	<u>4,732,663</u>	<u>4,758,186</u>

9. Called up Share Capital

	2001 £	2000 £
Authorised, allotted and fully paid		
6,250 ordinary shares of £1 each	6,250	6,250
	<u> </u>	<u> </u>

10 Revaluation Reserve

		£
1 January 2001		1,136,028
Movement in respect of current year (see note 6)	(520,127)	
Transfer to profit and loss account (see note below)	<u>66,950</u>	
		(453,177)
At 31 December 2001		<u>682,851</u>

During the previous year the company disposed off its investment holding in Ambishus Pubs PLC. The transfer to the profit and loss account of £66,950 is in respect of this disposal.

The liability to corporation tax that would arise if the remaining listed investments were to be disposed of at their revalued amount has not been provided for as there is no intention to sell the remaining investments and realise the investment gain.

11. Reconciliation of movements in shareholder's funds

	£
1 January 2001	533,958
Profit for the year	98,918
Movement on revaluation reserve for the year (see note 10)	(520,127)
	<u>112,749</u>

LOVE LANE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (continued)

12. Particulars of employees

	2001 Number	2000 Number
The average number of persons (including directors) employed by the company during the year was as follows:		
Management	<u>3</u>	<u>3</u>
The aggregate payroll costs of these persons were as follows:		
	2001 £	2000 £
Wages and Salaries	63,708	46,561
Social security costs	6,456	4,746
	<u>70,164</u>	<u>51,307</u>

13. Directors' emoluments

Total directors' emoluments for the year amounted to £72,708 (2000: £55,560).
The emoluments (excluding social security costs) of the chairman and highest paid director were £50,000 (2000: £35,417).

14. Ultimate Parent Undertaking

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