

SILVERGRAD LIMITED

FINANCIAL STATEMENTS
30TH SEPTEMBER 2001



CROUCH CHAPMAN
Chartered Accountants
62 Wilson Street
London EC2A 2BU

SILVERGRAD LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2001

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SILVERGRAD LIMITED

COMPANY INFORMATION
AS AT 30TH SEPTEMBER 2001

DIRECTOR: A.J. Langton

SECRETARY: R.E. Attwell

REGISTERED OFFICE: 62 Wilson Street
London
EC2A 2BU

REGISTERED NUMBER: 1460104

AUDITORS: Crouch Chapman
Chartered Accountants
62 Wilson Street
London
EC2A 2BU

REPORT OF THE DIRECTOR

PRINCIPAL ACTIVITIES

DIRECTOR AND HIS INTERESTS

Ordinary Shares of £1 Each
30 September 2001 30 September 2000

A.J. LANGTON

DIRECTOR'S RESPONSIBILITIES

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

CLOSE COMPANY

- 2 -

SILVERGRAD LIMITED

REPORT OF THE DIRECTOR

- continued

AUDITORS

The auditors, Crouch Chapman, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

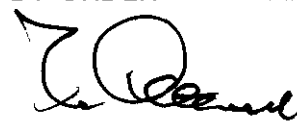
SMALL COMPANIES EXEMPTION

In preparing this report, the director has taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

62 Wilson Street
London EC2A 2BU

21 JUN 2002

BY ORDER OF THE BOARD



R.E. ATTWELL
Secretary

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SILVERGRAD LIMITED

We have audited the financial statements of Silvergrad Limited for the year ended 30th September 2001 on pages 5 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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.

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 as at 30th September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

62 Wilson Street
London EC2A 2BU


CROUCH CHAPMAN
Chartered Accountants
Registered Auditors

28 JUN 2002

SILVERGRAD LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 30TH SEPTEMBER 2001

	Notes	2001 £	2000 £
TURNOVER	1	92,011	25,000
Cost of sales		(21,405)	(300)
GROSS PROFIT		<u>70,606</u>	<u>24,700</u>
Administrative expenses		(26,228)	(13,309)
OPERATING PROFIT	2	<u>44,378</u>	<u>11,391</u>
Tax on profit on ordinary activities	3	(8,595)	(7,575)
PROFIT FOR THE FINANCIAL YEAR		<u>35,783</u>	<u>3,816</u>
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		<u>311,720</u>	<u>307,904</u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u><u>347,503</u></u>	<u><u>311,720</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

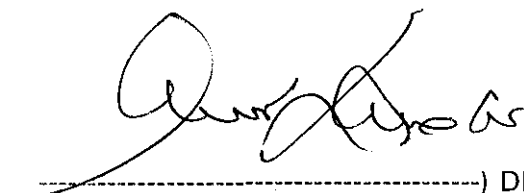
The notes on pages 7 to 10 form part of these financial statements.

SILVERGRAD LIMITED

BALANCE SHEET
30TH SEPTEMBER 2001

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	4		909,943		909,943
CURRENT ASSETS					
Debtors	5	261,119		211,359	
Cash at bank		12		1	
			<u>261,131</u>	<u>211,360</u>	
CREDITORS: Amounts falling due within one year	6	(20,002)		(6,014)	
NET CURRENT ASSETS			<u>241,129</u>	<u>205,346</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,151,072</u>	<u>1,115,289</u>	
CREDITORS: Amounts falling due in more than one year	7		(384,000)	(384,000)	
			<u>767,072</u>	<u>731,289</u>	
CAPITAL AND RESERVES					
Called up share capital	9		200		200
Revaluation reserve	10		419,369		419,369
Profit and loss account			347,503		311,720
SHAREHOLDERS' FUNDS	11		<u>767,072</u>	<u>731,289</u>	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.


 -----) DIRECTOR

Approved by the Board on

21 JUN 2002

The notes on pages 7 to 10 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and are in accordance with applicable accounting standards.

Cash Flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

Turnover

Turnover represents the total invoice value, excluding value added tax and services rendered during the year.

Related Party Transactions

The company has taken advantage of the exemption available under Financial Reporting Standard number 8, not to disclose material transactions with related parties.

Freehold and Long Leasehold Property

The freehold and long leasehold property is maintained as a matter of company policy by a programme of repair and refurbishment such that the residual value is at least equal to the book value. Having regard to this, it is the opinion of the directors that depreciation of the property as required by the Companies Act 1985 and Statement of Standard Accounting Practice 12, would not be material.

Deferred Taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the foreseeable future.

2. OPERATING PROFIT	2001	2000
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	850	800
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

- continued

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
The taxation charge comprises:		
UK corporation tax at 20% (2000: 20%)	8,874	2,614
(Over)/Underprovision for previous year	(279)	4,961
	<u>8,595</u>	<u>7,575</u>

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Long Leasehold £	Total £
COST AND VALUATION			
At 1st October 2000	483,118	426,825	909,943
At 30th September 2001	<u>483,118</u>	<u>426,825</u>	<u>909,943</u>
			£
Cost			63,749
Valuation 1985			239,369
Valuation 1989			180,000
			<u>483,118</u>

No provision has been made in the financial statements for depreciation of freehold or long leasehold property.

5. DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	259,169	159,097
Other debtors	1,950	52,262
	<u>261,119</u>	<u>211,359</u>

NOTES TO THE FINANCIAL STATEMENTS

- continued

6. CREDITORS

	2001 £	2000 £
Amounts falling due within one year:		
Corporation tax	3,709	2,614
Accruals and deferred income	4,250	3,400
Other creditors	12,043	-
	<u>20,002</u>	<u>6,014</u>

7. CREDITORS

	2001 £	2000 £
Amounts falling due in more than one year:		
Bank loan	384,000	384,000
	<u>384,000</u>	<u>384,000</u>

8. BORROWINGS

	2001 £	2000 £
The company's borrowings are repayable as follows:		
Up to one year and on demand	-	-
Between one and two years	-	-
Between two and five years	43,069	15,246
After five years	340,931	368,754
	<u>384,000</u>	<u>384,000</u>

9. SHARE CAPITAL

	2001 £	2000 £
Authorised:		
Equity interests:		
100 ordinary shares of £1 each	100	100
100 deferred shares of £1 each	100	100
	<u>200</u>	<u>200</u>
Authorised, allotted, called up and fully paid:		
Equity interests		
100 ordinary shares of £1 each	100	100
100 deferred shares of £1 each	100	100
	<u>200</u>	<u>200</u>

NOTES TO THE FINANCIAL STATEMENTS

- continued

10. REVALUATION RESERVE	2001 £	2000 £
Balance at 1st October 2000	419,369	419,369
Balance at 30th September 2001	<u>419,369</u>	<u>419,369</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2001 £	2000 £
Profit for the financial year	35,783	3,816
Opening shareholders' funds	<u>731,289</u>	<u>727,473</u>
Closing shareholders' funds	<u>767,072</u>	<u>731,289</u>
REPRESENTED BY:		
Equity interests	<u>767,072</u>	<u>731,289</u>

12. ULTIMATE PARENT COMPANY

The holding company is Aylesford Holdings Limited, a company registered in England. The ultimate holding company is Grange Nominees Limited, a company registered in Guernsey.