

Registered Number:  
1862433  
(England and Wales)

REGIONAL PROPERTY DEVELOPMENTS LIMITED

REPORT OF THE DIRECTOR

&

FINANCIAL STATEMENTS

FOR THE  
YEAR ENDED 31 DECEMBER 2002



## REGIONAL PROPERTY DEVELOPMENTS LIMITED

### REPORT OF THE DIRECTOR

The Director presents his report and financial statements of the Company for the year ended 31 December 2002.

#### PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of investment.

#### DIRECTOR

The Director of the company in office during the year and his beneficial interests in the issued share capital of the company were as follows:

	<u>Number of shares</u>	
	<u>31 December 2002</u>	<u>31 December 2001</u>

MR. JAMIE E THOMPSON

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#### DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view. In preparing those financial statements, the director is required to:

- \* select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable,
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- \* prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business

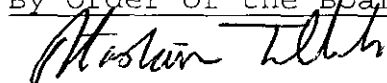
The director is responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the accounts comply with the Companies Act. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS

The company appointed Simon Silver Myer to be the auditors and they will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

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

By Order of the Board



Mr A R C Tulloch

SECRETARY

30<sup>th</sup> April 2003

REPORT OF THE INDEPENDENT AUDITOR

TO THE SHAREHOLDERS OF REGIONAL PROPERTY DEVELOPMENTS LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities and the accounting policies set out on page 5.

Respective responsibilities of the directors and auditors

As described on page 1, the company director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 as to whether 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 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8 Durweston Street  
London W1H 1EW

Simon Silver Myer  
Chartered Accountants

Signed...  ...Registered Auditors  
Dated this 30<sup>th</sup> April 2003

REGIONAL PROPERTY DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2002

		<u>2002</u>		<u>2001</u>	
	<u>Notes</u>	£	£	£	£
<u>TURNOVER</u>	1/		-		-
<u>COST OF SALES</u>			40,545		-
<u>GROSS (LOSS)/PROFIT</u>			(40,545)		-
<u>ADMINISTRATION COSTS</u>			3,863		64,253
<u>OPERATING (LOSS)</u>	2/		(44,408)		(64,253)
<u>FINANCIAL RECEIPTS/(COSTS)</u>					
Interest receivable		53,097		52,679	
Promissory note interest		-		213,493	
Revaluation of investments	1/4	(272,335)		-	
Interest payable		(528)		-	
			(219,766)		266,172
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			(264,174)		201,919
Tax on ordinary activities	1/3		59,793		-
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>			(323,967)		201,919
Retained (deficit) brought forward			(121,437)		(323,356)
<u>RETAINED (DEFICIT) CARRIED FORWARD</u>			£(445,404)		£(121,438)

The notes on pages 5 to 8 form an integral part of these financial statements.

REGIONAL PROPERTY DEVELOPMENTS LIMITED

BALANCE SHEET AT 31 DECEMBER 2002

	<u>Notes</u>	£	<u>2002</u> £	£	<u>2001</u> £
<u>FIXED ASSETS</u>					
Investments	1/4		2,860,830		4,236,111
<u>CURRENT ASSETS</u>					
Debtors	5	3,773		-	
Cash at bank and in hand		252,511		4,199	
		<u>256,284</u>		<u>4,199</u>	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	6	562,518		1,361,748	
<u>NET CURRENT (LIABILITIES)</u>			(306,234)		(1,357,549)
<u>NET ASSETS</u>			<u>£2,554,596</u>		<u>£2,878,562</u>
<u>CAPITAL AND RESERVES</u>					
Called up share capital	7		3,000,000		3,000,000
Profit and loss account			(445,404)		(121,438)
<u>Shareholder's Fund</u>			<u>£2,554,596</u>		<u>£2,878,562</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the Board on the 23<sup>rd</sup> April 2003

  
MR. JAMIE E THOMPSON - Director

The notes on pages 5 to 8 form an integral part of these financial statements.

REGIONAL PROPERTY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Director's report and all of which are continuing. The company has taken advantage of the exemption in FRS 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Fixed Asset Investments

Investments have been valued by the director at the lower of cost and net realisable value. In the opinion of the director, it is not necessary to obtain formal independent valuations at each balance sheet date for such investments. However, where investments are not disposed within a reasonable timescale, appropriate valuations are obtained being equivalent to the best price offered by third parties as reduced by the estimated cost of further development expenditure to point of sale.

1.3 Deferred taxation

Provision is made by the liability method for all timing differences at current taxation rates which are expected to be reversed in the foreseeable future.

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2. OPERATING (LOSS)

	<u>2002</u> £	<u>2001</u> £
This is stated after charging (crediting):		
Auditors' remuneration	846	764

REGIONAL PROPERTY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

3. TAXATION

	<u>2002</u> £	<u>2001</u> £
3.1 The tax charge on the (Loss)/profit on ordinary activities for the year was as follows:		
U.K Corporation Tax at current rates of 30%	2,606	-
	<hr/> 2,606	<hr/> -
Taxation (over)/underprovided in previous years:		
Corporation tax	57,187	-
	<hr/> £ 59,793	<hr/> £ -
	<hr/> <hr/>	<hr/> <hr/>
3.2 The company is a close company within the meaning of section 414 of Income and Corporation Taxes Act 1988.		

REGIONAL PROPERTY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

4. FIXED ASSET INVESTMENTS

	<u>Listed in UK £</u>	<u>Unlisted £</u>	<u>Total £</u>
4.1 <u>Cost or valuation:</u>			
As at 1 January 2002	-	4,236,111	4,236,111
Additions in year	-	3,202,740	3,202,740
Disposals in year	-	(4,236,111)	(4,236,111)
Other movements in year	-	(341,910)	(341,910)
As at 31 December 2002	£ -	£ 2,860,830	£ 2,860,830
As at 31 December 2001		£ 4,236,111	£ 4,236,111
<u>Market value:</u>			
31 December 2002	£ -	£ 2,860,830	£ 2,860,830
31 December 2001	£ -	£ 4,236,111	£ 4,236,111

The addition to unlisted investments was for 389 shares of RUB 250,000 each comprising 43.8% of the issued share capital of 888 shares of RUB 250,000 of OJSC Kaffa Industries of 140070 Russia, Moscow, Luberetskiy District, a company engaged in the production of instant coffee.

	<u>2002 £</u>	<u>2001 £</u>
4.2 Net proceeds arising on disposal	4,236,111	18,471,264
Less: Cost of disposal	4,236,111	18,257,771
<u>Surplus/(deficit) on disposal</u>	£ -	£ 213,493

The disposal of unlisted investments was for a promissory note issued by an overseas bank for \$6,100,000, which matured on 20th January 2002.

5. DEBTORS

	<u>2002 £</u>	<u>2001 £</u>
Social security and other taxes	3,773	-
	£ 3,773	£ -



REGIONAL PROPERTY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

6. CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	<u>2002</u>	<u>2001</u>
	£	£
Amounts owed to holding company	557,262	1,306,303
Corporation tax	2,606	-
Other creditors	2,650	55,445
	<u>£ 562,518</u>	<u>£1,361,748</u>

Included in other creditors are amounts in the sum of £0 which are owed to the director and are technically repayable on demand. No interest attaches to these balances.

7. CALLED UP SHARE CAPITAL

	<u>Allotted Issued</u> <u>and fully paid</u>	
	<u>2002</u>	<u>2001</u>
	£	£
Ordinary shares £1 each	<u>3,000,000</u>	<u>3,000,000</u>

The authorised share capital comprised  
3,000,000 shares of £1 each.

8. ULTIMATE HOLDING COMPANY

The company regards Sevenkey Limited, registered in the Bahamas as its ultimate holding company.