

ARKAIM DEVELOPMENT COMPANY LIMITED

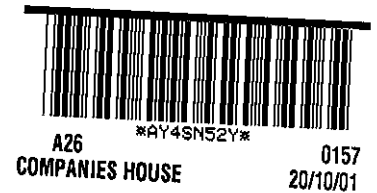
ACCOUNTS

31 December 2000

- 1 Director's Report
- 2 Profit and Loss Account
- 3 Balance Sheet
- 4 - 5 Notes to the Accounts
- 6 Profit and Loss Account Schedule
- 7 Accountants' Report

N R PULVER & CO  
Chartered Accountants

193 Sparrows Herne  
Bushey Heath  
Herts  
WD2 1AJ



Company Registration Number 2648642

ARKAIM DEVELOPMENT COMPANY LIMITEDREPORT OF THE DIRECTOR

The director has pleasure in submitting his annual report and the accounts of the Company for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was that of management and ownership of property at 50 Clanricarde Gardens, London W2 as head lessees.

REVIEW OF THE BUSINESS

The results of the Company for the year under review are shown on page 2. The state of the Company's affairs at 31 December 2000 was satisfactory.

DIRECTOR

The director in office during the year and his interest in the issued ordinary share capital of the Company was as follows:-

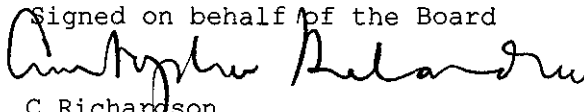
	<u>31 December 2000</u>	<u>1 January 2000</u>
C Richardson	500	500

FIXED ASSETS

Details of changes to the fixed assets of the Company are shown at note 5 to the accounts.

DIVIDENDS

The directors do not recommend the payment of a dividend for the financial year currently under review.

Signed on behalf of the Board  
  
C Richardson

Chairman                      23 October 2001

ARKAIM DEVELOPMENT COMPANY LIMITEDProfit and Loss Account  
Year ended 31 December 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
Turnover	2	6,931	35,698
Administration & General Expenses		(6,549)	(34,901)
		-----	-----
Operating Profit	3	382	797
Interest receivable		80	149
		-----	-----
Profit before taxation		462	946
Taxation	4	(10)	(30)
		-----	-----
Profit on ordinary activities after taxation		452	916
		=====	=====

Movements on reserves are shown in note 10.

None of the Company's activities were acquired or discontinued during the financial year.

The Company made no recognised gains or losses in the year ended 31 December 2000 other than the profit for the year.

The notes on pages 4 and 5 form part of these accounts.

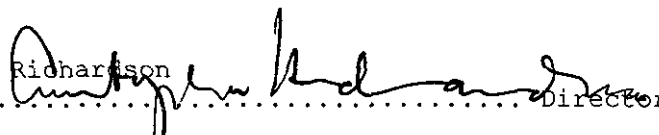
ARKAIM DEVELOPMENT COMPANY LIMITEDBalance Sheet  
31 December 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
FIXED ASSETS	5		
Tangible assets		872	881
CURRENT ASSETS			
Debtors	6	4,658	6,445
Cash at bank and in hand		5,734	9,018
		-----	-----
		10,392	15,463
CREDITORS	7		
Amounts due within one year		10,600	16,132
		-----	-----
NET CURRENT LIABILITIES		(208)	(669)
		-----	-----
		664	212
Provision for liabilities and charges	8	-	-
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		664	212
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account	10	(336)	(788)
		-----	-----
SHAREHOLDERS FUNDS	11	664	212
		=====	=====

In approving these financial statements as a director of the Company, I hereby confirm:-

- a) that for the year in question the Company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the Company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31 December 2000; and
- c) that I acknowledge our responsibilities for:-
  - (i) ensuring that the Company keeps accounting records which comply with section 221, and
  - (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit for the year then ended and which otherwise comply with the provisions of Section 226 of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

The notes on pages 4 and 5 form part of these accounts.

C Richardson  
  
 ..... Director

Approved by the Board on 23 October 2001

ARKAIM DEVELOPMENT COMPANY LIMITEDNotes to the AccountsYear ended 31 December 2000

## 1 ACCOUNTING POLICIES

- a. The accounts have been prepared under the historical cost convention.
- b. Turnover represents rents and service charges receivable during the year.
- c. Depreciation is provided over the expected useful lives of fixed assets, at the following rates:-

The term of the head lease is 120 years from 29 September 1978. The cost of the head lease is therefore amortised over the remaining years of the lease.

- d. Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.
- e. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

## 2 TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the Company, which is as stated in the report of the directors.

	<u>2000</u>	<u>1999</u>
	£	£
3 OPERATING PROFIT		

The operating profit is stated after charging:-

Depreciation	9	9
	=====	=====

## 4 TAXATION

Corporation tax at small companies rates	10	30
	=====	=====

## 5 FIXED ASSETS

	<u>Head Lease</u>
Cost at 1.1.2000 and 31.12.2000	935
	=====
Depreciation at 1.1.2000	54
Charge for year	9
	-----
Depreciation at 31.12.2000	63
	=====
Net Book Value at 1.1.2000	881
	=====
Net Book Value at 31.12.2000	872
	=====

ARKAIM DEVELOPMENT COMPANY LIMITEDNotes to the AccountsYear ended 31 December 2000

	<u>2000</u>	<u>1999</u>
	£	£
6 DEBTORS		
Trade debtors	3,953	5,792
Prepayments	705	653
	-----	-----
	4,658	6,445
	=====	=====
7 CREDITORS - Amounts due within one year		
Bank overdraft	7,676	-
Trade creditors and accruals	2,534	15,744
Loans	350	350
Corporation tax	40	38
	-----	-----
	10,600	16,132
	=====	=====
8 SINKING FUND		
Balance 1 January 2000	-	12,000
Utilised in year	-	(12,000)
	-----	-----
Balance at 31 December 2000	-	-
	=====	=====
9 CALLED UP SHARE CAPITAL		
Authorised, allotted, issued and fully paid 1000 Ordinary shares of £1 each	1,000	1,000
	=====	=====
10 RESERVES		
Balance brought forward	(788)	(1,704)
Profit for the year	452	916
	-----	-----
Balance carried forward	(336)	(788)
	=====	=====
11 MOVEMENT OF SHAREHOLDERS FUNDS		
Profit for the year	452	916
Opening shareholders funds	212	(704)
	-----	-----
Closing shareholders funds	664	212
	=====	=====