

Company Registration No. 2771653

HIGHCHARM PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001



2996-b-2001

Registered Office
60 Welbeck Street
London
W1M 8BH

HIGHCHARM PROPERTIES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The director presents her report and financial statements for the year ended 31 December 2001.

Principal activities and review of the business

The principal activity of the company is that of an investment company.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 January 2001:

S.J. Townsend	(Resigned 2 January 2001)
A.M. Taylor	(Resigned 2 July 2002)
L.R. Taylor	

The directors have no interest in the issued share capital of the company.

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She 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.

By order of the board

.....
L.R. Taylor (Director)

Date : 29.01.03

2 Babmaes Street, London, SW1Y 6NT
Telephone: +44 (0) 207 950 9800 Facsimile: +44 (0) 207 437 9509
E-mail audit@matthew-edwards.com

Mathew Edwards 86.

29.01.2003

2 Babmaes Street
London
England
SW1Y 6NT

HIGHCHARM PROPERTIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001	2000
		£	£
Turnover	2	24,233	21,110
Cost of sales		(15,661)	(47,006)
Gross profit/(loss)		8,572	(25,896)
Administrative expenses		(5,104)	(7,374)
Operating profit/(loss)	3	3,468	(33,270)
Other interest receivable and similar income	4	-	307
Interest payable and similar charges	5	(304)	-
Profit/(loss) on ordinary activities before taxation		3,164	(32,963)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) on ordinary activities after taxation	11	3,164	(32,963)
Loss brought forward at 1 January 2001		(223,183)	(190,220)
Loss carried forward at 31 December 2001		(220,019)	(223,183)

All of the company's activities are derived from continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

HIGHCHARM PROPERTIES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

		2001		2000	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		430,385		430,385
Current assets					
Debtors	8	17,599		16,115	
Cash at bank and in hand		18,204		14,462	
		<u>35,803</u>		<u>30,577</u>	
Creditors: amounts falling due within one year	9	<u>(685,207)</u>		<u>(683,145)</u>	
Net current liabilities			<u>(649,404)</u>		<u>(652,568)</u>
Total assets less current liabilities			<u>(219,019)</u>		<u>(222,183)</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		<u>(220,019)</u>		<u>(223,183)</u>
Shareholders' funds - equity interests	12		<u>(219,019)</u>		<u>(222,183)</u>

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges her responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, 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 or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 29/01/2003


L.R. Taylor
Director

HIGHCHARM PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.3 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 profit and loss account.

2 Turnover

Turnover represents income derived from the company's principal activity.

3 Operating profit/(loss)	2001	2000
	£	£
Operating profit/(loss) is stated after charging:		
Accountancy	1,500	1,350
	<u> </u>	<u> </u>
4 Other interest receivable and similar income	2001	2000
	£	£
Profit on foreign exchange	-	307
	<u> </u>	<u> </u>
	-	307
	<u> </u>	<u> </u>
5 Interest payable and similar expenses	2001	2000
	£	£
Loss on foreign exchange	304	-
	<u> </u>	<u> </u>
	304	-
	<u> </u>	<u> </u>

HIGHCHARM PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

6	Taxation	2001	2000
		£	£
	Domestic current year tax		
	Corporation tax at 30.00% (2000 - 30.00%)	-	-
		<u>-</u>	<u>-</u>
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	3,164	(32,963)
		<u>3,164</u>	<u>(32,963)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of U.K. corporation tax of 30.00% (2000 : 30.00%)	949	(9,889)
		<u>949</u>	<u>(9,889)</u>
	Effects of:		
	Tax losses utilised	(949)	-
	Losses not recognised for accounting purposes	-	9,889
		<u>(949)</u>	<u>9,889</u>
	Current tax charge	<u>-</u>	<u>-</u>
7	Tangible fixed assets		
			Investment properties
			£
	Cost		
	At 1 January 2001 & at 31 December 2001		430,385
			<u>430,385</u>
	The investment represents the ownership of a property situated in France. The property was valued on an open market basis by Cabinet Cazalieres, property valuers and surveyors, on 5th November 1999.		
8	Debtors	2001	2000
		£	£
	Trade debtors	17,599	16,115
		<u>17,599</u>	<u>16,115</u>
9	Creditors: amounts falling due within one year	2001	2000
		£	£
	Other creditors	681,957	678,236
	Accruals and deferred income	3,250	4,909
		<u>685,207</u>	<u>683,145</u>

HIGHCHARM PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001****10 Share Capital**

The authorised share capital of the Company comprises 1000 Ordinary £1 shares of which 1000 have been issued and are fully paid up (2000 - 1000).

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2001	(223,183)
Retained profit for the year	3,164
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Balance at 31 December 2001	(220,019)
	<hr/>

12 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit/(Loss) for the financial year	3,164	(32,963)
Opening shareholders' funds	(222,183)	(189,220)
	<hr/>	<hr/>
Closing shareholders' funds	(219,019)	(222,183)
	<hr/>	<hr/>

13 Contingent liabilities

There were no known contingent liabilities at the balance sheet date.

14 Capital commitments

There were no major capital commitments at the balance sheet date.

15 Employees**Number of employees**

There were no employees during the year apart from the directors. The directors received no remuneration during the year.

16 Ultimate Controlling Party and Related party transactions

The director is not aware of the ultimate controlling party, transactions related thereto and any other related party transactions.