

VALENCY LIMITED
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Registered number: 2910898

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2002



VALENCY LIMITED

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COMPANY INFORMATION

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DIRECTORS

Mrs E A Dunn
R J Kennett

SECRETARY

Mrs E A Dunn

COMPANY NUMBER

2910898

REGISTERED OFFICE

Carmelite
50 Victoria Embankment
Blackfriars
London EC4Y OLS

AUDITORS

Norton Lewis & Co
(Chartered Accountants)
& (Registered Auditors)
246/248 Great Portland Street
London W1W 5JL

SOLICITORS

Laytons
Carmelite
50 Victoria Embankment
Blackfriars
London EC4Y OLS

VALENCY LIMITED
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REPORT OF THE DIRECTORS TO THE SHAREHOLDERS
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The Directors present the Report and Accounts of the company for the year ended 31st March, 2002.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The main activity of the company is the holding of shares in its subsidiary. The main activity of the subsidiary is property development and management.

The company does not trade. During the year it received a dividend from its subsidiary which was paid to the shareholders in full.

DIVIDEND

A dividend totalling £63,690 was declared and paid to shareholders during the year.

DIRECTORS

The Directors of the company and their shareholdings for the accounting period are:

	End	Start
Beneficial:		
Mrs E A Dunn	362,500	362,500
R J Kennett	270,000	270,000
Non beneficial:		
Mrs E A Dunn	-	60,000
R J Kennett	-	192,500

The company is controlled by the directors and their families.

THE DIRECTORS' RESPONSIBILITIES CONCERNING THE FINANCIAL STATEMENTS

The directors are required 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 results for that period.

In preparing the financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are both 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.

VALENCY LIMITED

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DIRECTORS' REPORT (Continued)

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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.

AUDITORS

The Auditors, Messrs. Norton Lewis & Co., have indicated that they are willing to continue in office. A resolution proposing their re-appointment will be put to the Members at the next Annual General Meeting.

This report was approved by the Board on 12th October 2002
and signed on its behalf



E.A. DUNN
Secretary



VALENCY LIMITED

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REPORT OF THE INDEPENDENT AUDITORS' TO THE SHAREHOLDERS

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We have audited the financial statements of Valency Limited for the year ended 31 March 2002 set out on pages 4 and 5. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 4.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 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 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 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Norton Lewis & Co
Chartered Accountants
Registered Auditors

246/248 Great Portland Street
London W1W 5JL
12th October 2002

VALENCY LIMITED

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ACCOUNTING POLICIES

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1. Basis of Preparation of Financial Statements

The Accounts have been prepared under the Historical Cost Convention. Unless otherwise stated all figures in these accounts are in Sterling and rounded to the nearest £.

2. Group Accounts

The group is exempt from the requirement to prepare consolidated accounts under the provisions of Section 248 Companies Act 1985.

VALENCY LIMITED
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BALANCE SHEET
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AS AT 31ST MARCH 2002
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	2002	2001
INVESTMENT IN SUBSIDIARY		
Amalgamated Properties Ltd.		
Incorporated in England		
42,460 Ordinary Shares of £1 each (91.85%)		
At cost	2,909,900	2,909,900
	-----	-----
CURRENT ASSETS		
Debtors	-	-
Amount owing by subsidiary	80,671	80,671
	-----	-----
CREDITORS: due within one year		
Creditors	-	-
	-----	-----
NET CURRENT ASSETS	80,671	80,671
	-----	-----
TOTAL ASSETS less current liabilities	2,990,571	2,990,571
	-----	-----
NET ASSETS	2,990,571	2,990,571
=====	=====	=====
CAPITAL AND RESERVES		
SHARE CAPITAL		
Authorised		
1,000,000 Ordinary Shares of 1p each	10,000	10,000
	=====	=====
Issued and Fully Paid Share Capital		
1,000,000 Ordinary shares of 1p each	10,000	10,000
	-----	-----
NON-DISTRIBUTABLE RESERVE		
Share Premium Account	80,671	80,671
	-----	-----
OTHER RESERVES		
Reconstruction Reserve	2,899,900	2,899,900
	-----	-----
Revenue Reserves		
Retained profit		
Dividend Received	63,690	

Dividend Paid	63,690	

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	2,990,571	2,990,571
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The financial statements were approved by the Board
on 12th October 2002 and signed on its behalf

E.A. DUNN - DIRECTOR

