

STORTEX DEVELOPMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



STORTEX DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors P A Wallis (appointed 21 December 2001)
KAS Secretarial Services Limited (appointed 8 April 2002)
G R J Davis (appointed 31 October 2001)

Secretary CHT Secretaries Limited

Company number 3115848

Registered office 3 Sheldon Square
Paddington
London
W2 6PS

Auditors **MRI Moores Rowland LLP**
3 Sheldon Square
Paddington
London
W2 6PS

STORTEX DEVELOPMENTS LIMITED

CONTENTS

	Page
Contents	2
Director's report	3 – 4
Auditors' Report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 11
Detailed trading and profit and loss account	12

STORTEX DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and audited financial statements for the year ended 31 December 2002.

Principal activities

The principal activity of the company is that of providing administrative services.

Directors

The following directors have held office since 1 January 2002:

	Appointed	Resigned
PA Wallis	21 December 2001	-
KAS Secretarial services	8 April 2002	-
GRJ Davis	31 October 2002	-
D JHall	21 December 2001	31 October 2002

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

Auditors

MRI Moores Rowland LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be presented at the Annual General Meeting.

STORTEX DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

Directors' responsibilities

Company law requires the directors to prepare financial statements for the period 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 directors are required to:-

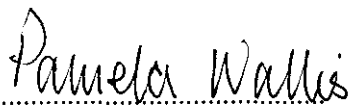
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



PA Wallis
Director

Date: 14/10/2004

STORTEX DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STORTEX DEVELOPMENTS LIMITED

We have audited the financial statements of Stortex Developments Limited for the year ended 31 December 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of 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 misstatement 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.

However, the evidence available to us in respect of sales of £3,750,938 was limited and there was no system of control on which we could rely for the purpose of our audit. There were no other satisfactory procedures that we could adopt to confirm the sales were properly recorded.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

STORTEX DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF STORTEX DEVELOPMENTS LIMITED

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the continued support of the shareholder. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Qualified opinion arising from limitation of audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning sales, 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 profit for the year then ended and have been prepared in accordance with the Companies Act 1985.

In respect alone of the limitations on our work relating to sales:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records have been maintained.

MRI Moores Rowland LLP 14/10/04

MRI Moores Rowland LLP
Chartered Accountants
Registered Auditors
3 Sheldon Square
Paddington
London, W2 6PS

STORTEX DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Turnover	1	3,750,938	3,079,500
Cost of sales		<u>(3,656,628)</u>	<u>(3,028,817)</u>
Gross profit		94,310	50,683
Administrative expenses		<u>(11,963)</u>	<u>(10,552)</u>
Operating profit	2	82,347	40,131
Interest receivable and similar incomes	3	<u>386</u>	<u>3</u>
Profit on ordinary activities before taxation		82,733	40,134
Tax on profit on ordinary activities	4	<u>(24,820)</u>	<u>(12,040)</u>
Profit on ordinary activities after taxation	8	<u>57,913</u>	<u>28,094</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

STORTEX DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2002

	Notes	2002 £	2001 £
Current Assets			
Debtors	5	1,169,010	1,321,297
Cash at bank and in hand		<u>541,578</u>	<u>18,124</u>
		1,710,588	1,339,421
Creditors: amounts falling due within one year	6	(1,614,938)	(1,301,684)
Total assets less current liabilities		<u>95,650</u>	<u>37,737</u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account	8	94,650	36,737
Shareholders' funds	9	<u>95,650</u>	<u>37,737</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were
approved by the board on 14/10 2004

.....*Paula Wallis*.....

PA Wallis
Director

STORTEX DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1. Accounting policies

a. Accounting convention

The financial statements have been prepared in accordance with the historical cost convention and in accordance the Financial Reporting Standard for Smaller Entities (effective June 2002).

b. Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

c. Turnover

The total turnover of the company for the year has been derived from its principal activity.

d. Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 – Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2. Operating profit

2002
£

2001
£

Operating profit is stated after charging:

Auditor's remuneration

2,000

2,000

3. Other interest receivable and similar income

2002
£

2001
£

Interest received

77

-

Foreign exchange (loss)/gain

309

3

386

3

STORTEX DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

4.			
Taxation		2002	2001
		£	£
Current year taxation			
UK corporation tax at 30%		24,820	12,040
		<u> </u>	<u> </u>
5.			
Debtors		2002	2001
		£	£
Trade debtors		1,169,010	1,321,297
		<u> </u>	<u> </u>
6.			
Creditors: amounts falling due within one year		2002	2001
		£	£
Trade Creditors		-	64,851
Corporation tax		36,749	12,040
Accruals and deferred income		7,500	3,000
Other creditors		1,570,689	1,221,793
		<u> </u>	<u> </u>
		<u>1,614,938</u>	<u>1,301,684</u>
7.			
Share Capital		2002	2001
		£	£
Authorised			
1,000 ordinary shares of £1 each		1,000	1,000
		<u> </u>	<u> </u>
Allotted, called up and fully paid			
1,000 ordinary shares of £1 each		1,000	1,000
		<u> </u>	<u> </u>

STORTEX DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

8. Reconciliation of movements on profit and loss account

	2002 £
Balance at 1 January 2002	36,737
Profit for the financial year	57,913
Balance at 31 December 2002	<u>94,650</u>

9. Reconciliation of movements in shareholders' funds

	2002 £
Opening shareholders' funds	37,737
Profit for the financial year	57,913
Closing shareholders' funds	<u>95,650</u>

10. Employees

Number of employees

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

11. Ultimate controlling party and related parties

Related party transactions

The company purchased services to the amount of £1,791,881 (2001: £962,972) from the holding company, Harvel LLC. As at 31 December 2002 £1,570,689 (2001 - £ 1,221,904) was due to Harvel LLC.

Control

The directors consider the trustees of the Global Trust to be the ultimate controlling party.