

**STONEHORSE PROPERTIES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**



18592-A-2002

**Registered Office**  
Suite 23, Park Royal House  
23 Park Royal Road  
London

# STONEHORSE PROPERTIES LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

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The director presents his report and financial statements for the year ended 31 December 2002.

### 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 2002:

L R Taylor (Resigned 2 July 2002)

A M Taylor

M Quirk (Resigned 2 July 2002)

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

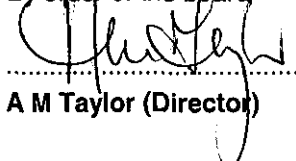
### Director's responsibilities

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 him to ensure that the financial statements comply with the Companies Act 1985. 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.

By order of the board,

  
A M Taylor (Director)

Date: 22/11/2003

**MATTHEW EDWARDS & CO**  
**CHARTERED ACCOUNTANTS**

86 Jermyn Street  
St James  
London  
England SW 1Y 6AW  
E-mail [audit@matthew-edwards.com](mailto:audit@matthew-edwards.com)

**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE  
ACCOUNTS OF STONEHORSE PROPERTIES LIMITED**

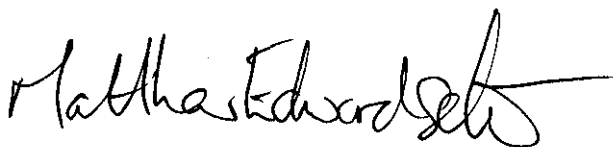
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We report on the accounts for the year ended 31 December 2002.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2002, set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.



Matthew Edwards & Co.

Chartered Accountants

08/11/2003

86 Jermyn Street  
St. James  
London  
England  
SW1Y 6AW

**STONEHORSE PROPERTIES LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	2002 €	2001 €
Administrative expenses		(4,808)	(6,140)
<b>Operating loss</b>	<b>2</b>	(4,808)	(6,140)
Investment income	<b>3</b>	29,956	30,899
Other interest receivable and similar income	<b>3</b>	317	-
Interest payable and similar charges	<b>4</b>	(284)	-
<b>Profit on ordinary activities before taxation</b>		25,181	24,759
Tax on profit on ordinary activities	<b>5</b>	(7,554)	(7,631)
<b>Profit on ordinary activities after taxation</b>	<b>10</b>	17,627	17,128
<b>Profit brought forward at 1 January 2002</b>		44,305	27,177
<b>Profit carried forward at 31 December 2002</b>		61,932	44,305

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.*

**STONEHORSE PROPERTIES LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2002**

	Notes	2002 €	2001 €
<b>Fixed assets</b>			
Investments	6	535,787	499,889
<b>Current assets</b>			
Debtors	7	29,956	30,899
Cash at bank and in hand		-	4
		<u>29,956</u>	<u>30,903</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(502,311)</u>	<u>(484,987)</u>
<b>Net current liabilities</b>		(472,355)	(454,084)
<b>Total assets less current liabilities</b>		<u>63,432</u>	<u>45,805</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,500	1,500
Profit and loss account	10	61,932	44,305
<b>Shareholders' funds - equity interests</b>	11	<u>63,432</u>	<u>45,805</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 his 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 08/11/2003.

A M Taylor  
Director

# STONEHORSE PROPERTIES LIMITED

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

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable financial reporting and 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 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.4 Foreign currency translation

The company's accounting records are maintained in Euros.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

#### 1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

### 2 Operating loss

2002	2001
€	€

Operating loss is stated after charging:  
Accountancy

1,604	1,408
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### 3 Income from investments, other interest receivable and similar income

2002	2001
€	€

Income from subsidiary undertakings  
Other interest  
Profit on foreign exchange

29,956	30,899
54	-
263	-
30,273	30,899

STONEHORSE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2002

4	Interest payable and similar expenses	2002 €	2001 €
	On overdue tax	284	-
		<u>284</u>	<u>-</u>
5	<b>Taxation</b>	<b>2002 €</b>	<b>2001 €</b>
	<b>Domestic current year tax</b>		
	Corporation tax at 30.00 % (2001 - 30.00 %)	7,554	7,428
	Adjustment for prior years	-	203
	<b>Current tax charge</b>	<u>7,554</u>	<u>7,631</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>25,181</u>	<u>24,759</u>
	Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00 % (2001 : 30.00 %)	<u>7,554</u>	<u>7,428</u>
	Adjustments to previous periods	-	203
	<b>Current tax charge</b>	<u>7,554</u>	<u>7,631</u>

**STONEHORSE PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**6 Fixed asset investments**

	Shares in group undertakings €	Loans to group undertakings €	Total €
<b>Cost</b>			
At 1 January 2002	1,525	498,364	499,889
Additions	-	35,898	35,898
At 31 December 2002	1,525	534,262	535,787
At 31 December 2001	1,525	498,364	499,889

**Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
SCI Voltaire Immobilier	France	Ordinary	98

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal Activity	Capital and reserves	Profit/(loss) for the year
SCI Voltaire Immobilier	Property Developer	(64,079)	(2,887)

The loan to SCI Voltaire Immobilier attracts interest as agreed with the French tax administration.

<b>7 Debtors</b>	<b>2002</b>	<b>2001</b>
	€	€
Other debtors	29,956	30,899
	<u>29,956</u>	<u>30,899</u>
<b>8 Creditors: amounts falling due within one year</b>	<b>2002</b>	<b>2001</b>
	€	€
Corporation tax	7,535	16,023
Other creditors	490,506	466,390
Accruals and deferred income	4,270	2,574
	<u>502,311</u>	<u>484,987</u>



**STONEHORSE PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2002**

<b>9 Share capital</b>	<b>2002 No.</b>	<b>2001 No.</b>
<b>Authorised</b>		
100,000 ordinary £1 shares	100,000	100,000
	<u>          </u>	<u>          </u>
	<b>2002</b>	<b>2001</b>
	<b>€</b>	<b>€</b>
<b>Allotted, called up and fully paid</b>		
1,000 ordinary £1 shares	1,500	1,500
	<u>          </u>	<u>          </u>

**10 Statement of movements on profit and loss account**

**Profit and  
loss  
account  
€**

Balance at 1 January 2002	44,305
Retained profit for the year	17,627
	<u>          </u>
Balance at 31 December 2002	61,932
	<u>          </u>

<b>11 Reconciliation of movements in shareholders' funds</b>	<b>2002 €</b>	<b>2001 €</b>
Profit for the financial year	17,627	17,128
Opening shareholders' funds	45,805	28,677
	<u>          </u>	<u>          </u>
Closing shareholders' funds	63,432	45,805
	<u>          </u>	<u>          </u>

**12 Contingent liabilities**

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

**13 Capital commitments**

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

**14 Employees**

**Number of employees**

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

**15 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.

**STONEHORSE PROPERTIES LIMITED**

**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2002**

		<b>2002</b>	<b>2001</b>
		<b>€</b>	<b>€</b>
<b>Administrative Expenses</b>			
Company Secretarial Work	703	129	
Tax Compliance Work	796	672	
UK Management Expenses	1,226	1,211	
Other UK Administrative Charges	470	150	
Swiss Management Charges	-	2,321	
Accountancy	1,604	1,408	
Bank Charges	9	249	
		<u>(4,808)</u>	<u>(6,140)</u>
<b>Operating loss</b>		<b>(4,808)</b>	<b>(6,140)</b>
<b>Other interest receivable and similar income</b>			
Other income from investments	29,956	30,899	
Exchange gain	263	-	
Other Interest	54	-	
		<u>30,273</u>	<u>30,899</u>
<b>Interest payable and similar expenditure</b>			
Interest payable on overdue tax	(284)	-	
		<u>(284)</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>		<b>25,181</b>	<b>24,759</b>

This page is supplementary to and does not form part of the statutory financial statements.