

Company Number: 3876060

COMPANIES REGISTRY COPY

Citygraze Limited
Abbreviated Financial Statements
for the year ended 31st December 2001



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Independent Auditors' Report to Citygraze Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 and 3, together with the financial statements of the company for the year ended 31st December 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of the director and auditors

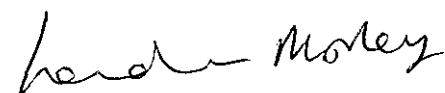
The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 and 3 are properly prepared in accordance with those provisions.



Landau Morley
Chartered Accountants
and Registered auditors

29th October 2002

Lanmor House
370-386 High Road
Wembley
Middlesex
HA9 6AX

Citygraze Limited

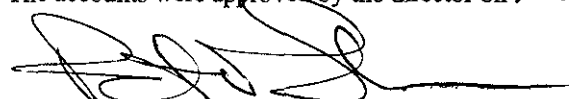
Abbreviated Balance Sheet

as at 31st December 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Current Assets					
Stocks	1	3,465,181		4,730,230	
Debtors		516,618		1,711,226	
Cash at bank		438,829		41,555	
		<u>4,420,628</u>		<u>6,483,011</u>	
Creditors:					
Amounts falling due within one year	2	<u>(1,745,389)</u>		<u>(3,804,972)</u>	
Net Current Assets			2,675,239		2,678,039
Total Assets Less Current Liabilities			<u>2,675,239</u>		<u>2,678,039</u>
Creditors:					
Amounts falling due after more than one year	2		<u>(2,669,414)</u>		<u>(2,832,791)</u>
			<u>5,825</u>		<u>(154,752)</u>
Capital and Reserves					
Share capital	3		1		1
Profit and loss account			5,824		(154,753)
			<u>5,825</u>		<u>(154,752)</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the director on 29th October 2002



Mr P. Shalson

Director

Notes to the Abbreviated Accounts

for the year ended 31st December 2001

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Stocks

Stock which consists of freehold and long leasehold properties held for resale, has been valued at acquisition cost plus development cost or market value, whichever is lower.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is material.

2 Secured Liabilities

An amount of £2,680,253 is secured on the company's stock of properties. This amount comprises £10,839 due within one year and £2,669,414 due after more than one year.

3 Share Capital

Authorised	Number	£
Ordinary shares of £1 each	1,000	1,000
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Allotted and fully paid	Number	£
Ordinary shares of £1 each	1	1
<hr/>		

4 Ultimate parent undertaking

The ultimate parent undertaking is SGI Limited, a company registered in England.