

MULLSTONE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2002

Registered Number: 4006460



MULLSTONE LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

CONTENTS	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 7

MULLSTONE LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2002

The director submits his annual report together with the audited financial statements for the year ended 31 December 2002.

RESULTS

The company commenced trading in the year letting the owned industrial building.

DIRECTORS AND DIRECTORS' INTERESTS

The director of the company who served during the year is shown below:-

Stephen J Mathews – resigned 25 February 2003

Richard Evans – appointed 25 February 2003

At 31 December 2002 the director had no interest in the share capital of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 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 financial statements;
- 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.

MULLSTONE LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2002

AUDITORS

A resolution reappointing haysmacintyre will be proposed at the AGM in accordance with S385(2) of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Andrew C Wibling', written over a horizontal line.

Andrew C Wibling
Secretary

Registered office:
20 Berkeley Square
London W1J 6LH

14 March 2003

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

OF MULLSTONE LIMITED

We have audited the financial statements of Mullstone Limited for the year ended 31st December 2002 which comprise the Balance Sheet, the Profit and Loss account and the related notes. These financial statements have been prepared 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 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.

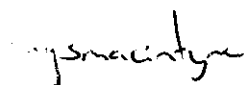
Basis of audit opinion

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 31st December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


haysmacintyre
Chartered Accountants
Registered Auditors

Southampton House
317 High Holborn
London
WC1V 7NL

14 March 2003

MULLSTONE LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2002**

	Note	2002 £	2001 £
TURNOVER	2	30,361	18,288
Cost of sales		<u>(327,167)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(296,806)	18,288
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	<u>89,042</u>	<u>(5,486)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(207,764)	12,802
RETAINED PROFIT BROUGHT FORWARD		12,802	-
RETAINED (LOSS)/PROFIT CARRIED FORWARD		<u>£(194,962)</u>	<u>£12,802</u>

Turnover and operating (loss)/profit are derived from continuing operations.

All recognised gains and losses are reflected in the profit and loss account.

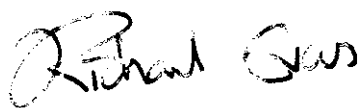
MULLSTONE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Stock		850,000	1,175,788
Debtors	4	83,556	2,139
		<u>933,556</u>	<u>1,177,927</u>
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year			
Amount owed to parent company		(1,128,516)	(1,159,637)
Taxation		-	(5,486)
		<u>(1,128,516)</u>	<u>(1,165,123)</u>
NET ASSETS		<u><u>£(194,960)</u></u>	<u><u>£12,804</u></u>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Profit and loss account		(194,962)	12,802
EQUITY SHAREHOLDERS' FUNDS	6	<u><u>£(194,960)</u></u>	<u><u>£12,804</u></u>

Approved by the board on 14 March 2003 and signed on its behalf by:-



R. Evans - Director

MULLSTONE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2002****1. ACCOUNTING POLICIES****a) BASIS OF PREPARATION**

The financial statements have been prepared on the historical cost basis and in accordance with applicable accounting standards.

b) STOCK

Land held for resale are valued at the lower of cost and net realisable value.

2. TURNOVER

Turnover represents rental income charged on the property held net of VAT.

3. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**2002
£****2001
£**

The charge for taxation on ordinary activities represents:

UK Corporation tax charge on the (loss)/profit
for the year at 30%

£(89,042)£5,486**4. DEBTORS: amounts due within one year**

Other debtors

£83,556£2,139**5. CALLED UP SHARE CAPITAL****At 31 December 2001
and 2002
Number £****Authorised:**

1,000 ordinary shares of £1 each

£1,000£1,000**Allotted, called up and fully paid**

2 ordinary shares of £1 each

£2£2**6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****2002
£****2001
£**

(Loss)/profit for the financial year

(207,764)12,802

Opening shareholders' funds

12,8042

Closing shareholders' funds

£(194,960)£12,804

MULLSTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2002

7. ULTIMATE PARENT UNDERTAKING

The company is a wholly-owned subsidiary of Sunley Estates PLC, a company registered in England.

The ultimate parent company is Sunley Family Limited, which is registered in England and Wales. Sunley Family Limited is also the head of the largest group of companies, of which the company is a member, that prepares group financial statements.

The smallest group of companies, of which the company is a member, that prepares group financial statements is headed by Sunley Estates PLC, which is registered in England and Wales.

Group financial statements for both Sunley Family Limited and Sunley Estates PLC are available to the public, on payment of the appropriate fee, from Companies Registration Office, Companies House, Crown Way, Cardiff CF4 3UZ.