

100816 / 15

**OFFICE COPY
for signature
and return**

ARUNDEL CORPORATION
ACCOUNTS FOR THE
YEAR ENDED 31 MARCH 2002



ARUNDEL CORPORATION

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2002

ACTIVITIES

The Company carries on business as a property investment company.

BUSINESS AND RESULTS

The Directors continued the plans for reinvestment with three additional properties being purchased during the year, and further investments planned.

Investment properties continue to be valued at their open market value.

DIRECTORS

The directors who served during the year together with their interest in the ordinary share capital of the company were as follows:-

	<u>31.3.02</u>	<u>31.3.01</u>
N.R. Scarles	-	-
Mrs. V.A. Scarles	-	-

DIRECTORS RESPONSIBILITIES FOR THE PREPARATION OF ACCOUNTS

The directors are required by the Companies Act 1985 to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of its profit or loss for the period. In preparing the financial statements, the directors ensure that applicable accounting standards have been followed and that appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used.

The directors are also responsible for maintaining adequate accounting records and for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the company are properly safeguarded and that fraud and other irregularities will be prevented or detected.

ACCOUNTANTS

The Accountants, Messrs. Thwaites, Blackwell, Bailey & Co. have signified their willingness to continue in this post.

SMALL COMPANY RULES

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. It was approved by the board on _____ and signed on its behalf.

Delaport Coach House
Wheathampstead
Herts. AL4 8RQ.



Mrs. V.A. Scarles
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ARUNDEL CORPORATION

We have audited the accounts of Arundel Corporation for the year ended 31 March 2002 which comprise pages 3 to 6. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out therein.

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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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.

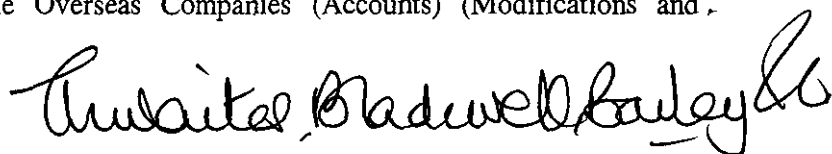
Basis of audit opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the Overseas Companies (Accounts) (Modifications and Exemptions) order 1990.



THWAITES, BLACKWELL, BAILEY & CO.
REGISTERED AUDITORS

Delaport Coach House
Wheathampstead
Herts. AL4 8RQ

21 November 2002

ARUNDEL CORPORATION
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> £
Turnover	1	1,166,330	871,613
Administration expenses		252,254	134,494
Operating profit	2	914,076	737,119
Profit on the disposal of investment properties		1,530,662	403,691
Receipts re legal proceedings		105,307	363,739
Profit on ordinary activities before interest		2,550,045	1,504,549
Interest receivable		15,395	11,076
Interest payable		(462,652)	(408,514)
Profit on ordinary activities before taxation		2,102,788	1,107,111
Taxation on profit on ordinary activities	3	146,632	190,794
Profit on ordinary activities after taxation		1,956,156	916,317
Retained profit brought forward		2,040,428	1,124,111
Retained profit carried forward		3,996,584	2,040,428

None of the company's activities were acquired or discontinued during the year and there were no recognised gains and losses for 2002 or 2001 other than those included in the profit and loss account.

The notes on pages 5 & 6 form part of the financial statements


ARUNDEL CORPORATION

BALANCE SHEET

31 MARCH 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		<u>£</u>	<u>£</u>
Fixed Assets			
Tangible assets	4	13,757,415	11,332,915
Current Assets			
Cash at bank		637,875	307,092
Debtors	5	292,669	221,763
		<u>930,544</u>	<u>528,855</u>
Creditors: Amounts falling due within one year	6	<u>8,375,909</u>	<u>6,540,296</u>
Net current liabilities		<u>(7,445,365)</u>	<u>(6,011,441)</u>
Net assets		<u>6,312,050</u>	<u>5,321,474</u>
Capital and reserves			
Called up share capital	7	100	100
Profit & loss account		3,996,584	2,040,428
Revaluation reserve	8	2,315,366	3,280,946
Shareholders' funds		<u>6,312,050</u>	<u>5,321,474</u>

The financial statements which have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 applicable to small companies were approved by the Board on 21 November 2002 and signed on its behalf:-


..... Director
Mrs. V.A. Scarles

ARUNDEL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

1. **Accounting policies**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for smaller entities (effective June 2002).

Turnover

Turnover comprises rental income receivable.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes, except to the extent that a liability to taxation is unlikely to crystallise.

	<u>2002</u> £	<u>2001</u> £
2. Operating profit		
This is stated after charging:-		
Directors' remuneration	53,686	21,903
Auditors' remuneration	2,315	2,115
	<u> </u>	<u> </u>
3. Taxation		
UK corporation tax @ 25.9%	148,441	191,111
Overprovision re earlier years	(1,809)	(317)
	<u> </u>	<u> </u>
	146,632	190,794
	<u> </u>	<u> </u>

4. Tangible fixed assets	Freehold & Leasehold Investment Properties
Valuation	
At 1 April 2001	11,332,915
Additions - at cost	3,720,080
Disposals - at revaluation amounts	(1,152,500)
	13,900,495
Decrease due to revaluation of purchases	(143,080)
	<u>13,757,415</u>

ARUNDEL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

	<u>2002</u> £	<u>2001</u> £
5. Debtors		
Tenants	71,759	91,107
Sundry rents	32,121	10,808
Managing agents	188,789	118,234
Sundry debtors	-	1,614
	<hr/> 292,669	<hr/> 221,763
6. Creditors: Amounts falling due within one year		
Loans on investment properties	7,952,000	6,147,000
Rents in advance	243,688	162,419
Corporation tax	148,441	191,111
Sundry creditors & accruals	31,780	39,766
	<hr/> 8,375,909	<hr/> 6,540,296
The bank loans are secured by a first legal charge on the Company's properties.		
7. Share capital		
Authorised:		
Ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>
Authorised:		
Ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>
8. Revaluation reserve		
Balance brought forward 1.4.2001	3,280,946	3,593,940
Revaluation of properties	(143,080)	(69,609)
Reserve relating to sales	(822,500)	(243,385)
	<hr/>	<hr/>
Balance carried forward 31.3.2002	2,315,366	3,280,946
	<hr/>	<hr/>