

REVERSIONARY GAINS II LIMITED

FINANCIAL STATEMENTS

for the year ended

30 April 2002



Company No. SC132641

REVERSIONARY GAINS II LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

G C W Marshall
R A Pearce Gould

SECRETARY

J E Caves

REGISTERED OFFICE

James Sellars House
144 West George Street
Glasgow
G2 2HG

REVERSIONARY GAINS II LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of Reversionary Gains II Limited for the year ended 30 April 2002.

PRINCIPAL ACTIVITIES, RESULTS AND FUTURE DEVELOPMENTS

The company did not trade during the period and there are no plans to re-activate it.

During the year the company acted as an agent for Sovereign Reversions plc, its parent company.

DIRECTORS AND THEIR INTERESTS

The following directors have held office since 1 May 2001: -

G C W Marshall
R A Pearce Gould

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

AUDITORS

Messers Thompson Taraz resigned as auditors during the year and Baker Tilly were appointed by the directors in their place as auditors to the company. In accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the board



Secretary Director

19/6/02

REVERSIONARY GAINS II LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVERSIONARY GAINS II LIMITED

We have audited the financial statements on pages 5 to 7.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with 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 judgments 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 at 30 April 2002 and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly BAKER TILLY

Registered Auditor
Chartered Accountants
City Plaza
Temple Row
Birmingham
B2 5AF

22 June 2002

REVERSIONARY GAINS II LIMITED

BALANCE SHEET

30 April 2002

| | Notes | 2002 £ | 2001 £ |
|--|-------|------------------|------------------|
| CURRENT ASSETS | | | |
| Debtors | 1 | 1,296,184 | 1,296,252 |
| CREDITORS: amounts falling due within one year | | | |
| Cash at bank | | - | 68 |
| | | <u>1,296,184</u> | <u>1,296,184</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 2 | 737,750 | 737,750 |
| Profit and loss account | | 558,434 | 558,434 |
| | | <u>1,296,184</u> | <u>1,296,184</u> |

Approved by the board on 19th June 2002



Director

REVERSIONARY GAINS II LIMITED

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

The company has not traded during the year and therefore no profit and loss account is presented.

REVERSIONARY GAINS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2002

| | 2002 £ | 2001 £ |
|---|-------------------|-------------------|
| 1 DEBTORS | | |
| Amounts owed by group undertakings | 1,296,184 | 1,296,252 |
| | <u> </u> | <u> </u> |
| 2 SHARE CAPITAL | 2002 £ | 2001 £ |
| Authorised: 12,000,000 ordinary shares of £0.50 each | 6,000,000 | 6,000,000 |
| | <u> </u> | <u> </u> |
| Allotted, issued and fully paid: 1,475,499 ordinary shares of £0.50 each | 737,750 | 737,750 |
| | <u> </u> | <u> </u> |
| 3 CONTROL | | |

At the balance sheet date the company was under the control of Sovereign Reversions plc a company registered in England and Wales. At this date the company was owed £1,296,184 by Sovereign Reversions plc, as disclosed in note 1 above.