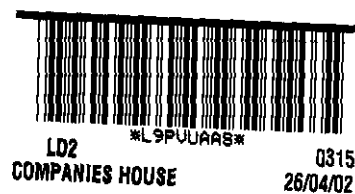


1017821 (England and Wales)

Nearway Properties Limited
Director's Report and Financial Statements
for the year ended 30 June 2001



Nearway Properties Limited

Company Information

Director	S.K. Gulhati Esq.
Secretary	Mrs. S. Gulhati
Company Number	1017821 (England and Wales)
Registered Office	10-12 Half Moon Street Mayfair London W1Y 7RA
Accountants	Rakmans 85 Oakwood Court Abbotsbury Road Holland Park London W14 8JZ

Nearway Properties Limited

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Nearway Properties Limited

Director's Report for the year ended 30 June 2001

The director presents his report and the financial statements for the year ended 30 June 2001.

Principal Activities and Review of the Business

The principal activity of the company is that of investors. The company has received investment income during the year under review.

Results and Dividends

The results for the year are set out on page 3.

The director has paid an interim dividend, amounting to £28,000, and does not recommend payment of a final dividend.

It is proposed that the retained profit of £2,126 is transferred to reserves.

Fixed Assets

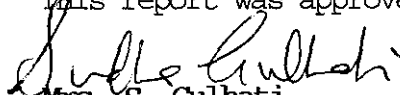
The significant changes in fixed assets during the year are explained in notes 6 to the financial statements.

Director and his Interests

The director who served during the year and his interests in the company were as stated below.

	Class of share	Number of shares	
		2001	2000
S.K. Gulhati Esq.	Ordinary shares	500	500

This report was approved by the Board on 23 April 2002


Mrs. S. Gulhati
Secretary

Nearway Properties Limited

Accountants' Report to the shareholders on the
unaudited accounts of Nearway Properties Limited

We report on the accounts for the year ended 30 June 2001 set out on pages 3 to 8.

Respective responsibilities of the director and reporting accountants

As described on page 4 the company's director is responsible for the preparation of the accounts, and she considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

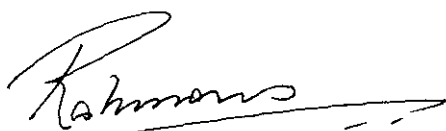
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Rakmans

Chartered Accountants
Reporting Accountants

23 April 2002

85 Oakwood Court
Abbotsbury Road
Holland Park
London W14 8JZ

Nearway Properties Limited

Profit and Loss Account
for the year ended 30 June 2001

	Notes	2001 £	2000 £
Administrative expenses		55	(169)
Operating profit	2	55	(169)
Investment income	3	33,410	41,456
Profit on ordinary activities before taxation		33,465	41,287
Tax on profit on ordinary activities	4	(3,339)	(4,142)
Profit on ordinary activities after taxation		30,126	37,145
Dividends	5	(28,000)	(50,314)
Retained profit for the year	10	£ 2,126	£ (13,169)

There are no recognised gains and losses other than those passing through the profit and loss account.

Nearway Properties Limited

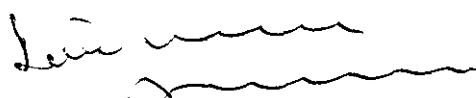
Balance Sheet as at 30 June 2001

	Notes	£	2001 £	£	2000 £
Fixed Assets					
Investments	6		750		750
Current Assets					
Debtors	7	6,514		6,514	
Cash at bank and in hand		3,698		14,572	
		<u>10,212</u>		<u>21,086</u>	
Creditors: amounts falling due within one year	8	<u>(3,910)</u>		<u>(16,910)</u>	
Net Current Assets			<u>6,302</u>		<u>4,176</u>
Total Assets Less Current Liabilities			<u>£ 7,052</u>		<u>£ 4,926</u>
Capital and Reserves					
Called up share capital	9		1,000		1,000
Profit and loss account	10		6,052		3,926
Shareholders' Funds (All Equity)	11		<u>£ 7,052</u>		<u>£ 4,926</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(2) 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 23 April 2002.



S.K. Gulhati Esq.

Director

Nearway Properties Limited

Notes to the Financial Statements for the year ended 30 June 2001

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the director's report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 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 the director considers that a liability to taxation is unlikely to crystallise.

2. Operating Profit

	2001	2000
	£	£
Operating profit is stated after charging:	-	-
	<u> </u>	<u> </u>

3. Income from Investments

	2001	2000
	£	£
Income from unlisted investments	33,410	41,456
	<u> </u>	<u> </u>

The company received investment income on 6 September 2000 and on 22 March 2001.

4. Taxation

	2001	2000
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 20% (2000 - 20%)	3,339	4,142
	<u> </u>	<u> </u>

The company has grossed up the dividends with the related tax credit.

Nearway Properties Limited

Notes to the Financial Statements for the year ended 30 June 2001

5. Dividends	2001 £	2000 £
Ordinary interim paid	28,000	37,314
Ordinary final proposed	-	13,000
	<u>£ 28,000</u>	<u>£ 50,314</u>

The company paid an dividend of £28,000 (2000:£50,314).

6. Fixed Asset Investments	2001 £	2000 £
Other investments	<u>750</u>	<u>750</u>
Other investments		Unlisted £
Cost		
At 1 July 2000 & at 30 June 2001		<u>750</u>
Net Book Values		
At 30 June 2001		£ <u>750</u>
At 30 June 2000		£ <u>750</u>
		Directors' Valuation
At 30 June 2001		£ 750
At 30 June 2000		£ 750

7. Debtors	2001 £	2000 £
Other debtors	<u>6,514</u>	<u>6,514</u>
	<u>£ 6,514</u>	<u>£ 6,514</u>

Nearway Properties Limited

Notes to the Financial Statements
for the year ended 30 June 2001

8.	Creditors: amounts falling due within one year	2001 £	2000 £
	Director's current account	936	936
	Other creditors	2,974	2,974
	Proposed dividend	-	13,000
		<u>£ 3,910</u>	<u>£ 16,910</u>
9.	Share Capital	2001 £	2000 £
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
10.	Profit And Loss Account	2001 £	2000 £
	Retained profits at 1 July 2000	3,926	17,095
	Retained profit for the year	2,126	(13,169)
	Retained profits at 30 June 2001	<u>£ 6,052</u>	<u>£ 3,926</u>
11.	Reconciliation of Movements in Shareholders' Funds	2001 £	2000 £
	Profit for the financial year	30,126	37,145
	Dividends	(28,000)	(50,314)
	Net addition to shareholders' funds	<u>2,126</u>	<u>(13,169)</u>
	Opening shareholders' funds	4,926	18,095
	Closing shareholders' funds	<u>£ 7,052</u>	<u>£ 4,926</u>

Nearway Properties Limited

Notes to the Financial Statements
for the year ended 30 June 2001

12. Employees

Number of employees

There were no employees during the year apart from the director.