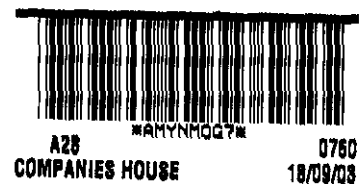


SOMERSET SECURITIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2002



SOMERSET SECURITIES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

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SOMERSET SECURITIES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

L.D. Delupos Frankopan
Dr. T.I.H.D. Delupis Frankopan
Dr. P.J.A.D. Delupis Frankopan
Miss P.L.M.D. Delupis Frankopan

COMPANY SECRETARY

L.D. Delupis Frankopan
Dr. T.I.H.D. Delupis Frankopan
Dr. P.J.A.D. Delupis Frankopan

REGISTERED OFFICE

Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

ACCOUNTANTS

Menzies
Chartered Accountants
Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

BANKERS

Lloyds TSB Bank Plc
79 Brompton Road
Knightsbridge
London
SW3 1DD

SOMERSET SECURITIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2002

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of business consultancy services.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

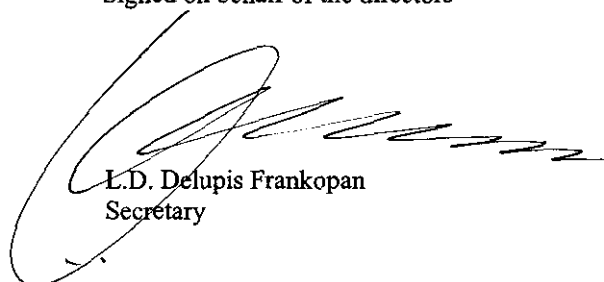
	Ordinary Shares of £1 each	
	At 30 September 2002	At 1 October 2001
L.D. Delupos Frankopan	3,499	3,499
Dr. T.I.H.D. Delupis Frankopan	1	1
Dr. P.J.A.D. Delupis Frankopan	-	-
Miss P.L.M.D. Delupis Frankopan	-	-

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

Signed on behalf of the directors



L.D. Delupos Frankopan
Secretary

Approved by the directors on 13/09/03

SOMERSET SECURITIES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 SEPTEMBER 2002**

	Note	2002 £	2001 £
TURNOVER		3,748	5,898
Cost of sales		—	2,500
GROSS PROFIT		3,748	3,398
Rental income costs		—	2,798
Administrative expenses		11,296	13,465
Other operating income	2	(15,990)	(7,358)
OPERATING PROFIT/(LOSS)	3	8,442	(5,507)
Interest receivable		152	147
Interest payable		(27)	(6)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,567	(5,366)
Tax on profit/(loss) on ordinary activities		789	(222)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		7,778	(5,144)

The notes on pages 5 to 6 form part of these financial statements.

SOMERSET SECURITIES LIMITED**BALANCE SHEET****30 SEPTEMBER 2002**

	Note	2002 £	£	2001 £	£
FIXED ASSETS					
Tangible assets	4		33,977		35,338
CURRENT ASSETS					
Cash at bank		20,355		17,057	
CREDITORS: Amounts falling due within one year	5	<u>76,626</u>		<u>82,467</u>	
NET CURRENT LIABILITIES			(56,271)		(65,410)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(22,294)</u>		<u>(30,072)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	7		3,500		3,500
Profit and loss account	8		(25,794)		(33,572)
DEFICIENCY			<u>(22,294)</u>		<u>(30,072)</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 13/09/03 and are signed on their behalf by:

DIRECTORS

L.D Delupis Frankopan

Dr. P.J.A.D. Delupis Frankopan

The notes on pages 5 to 6 form part of these financial statements.

SOMERSET SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- nil
Furniture & Fittings	- 15% p.a. straight line
Office Equipment	- 25% p.a reducing balance

The company's freehold buildings are not depreciated. Contrary to Financial Reporting Standard Number 15, accounting for depreciation, and the accounting requirement of the Companies Act 1985, depreciation is not provided in respect of the company's freehold buildings. The directors are of the opinion that the ongoing maintenance work undertaken keeps the property to a high standard of repair. The directors also believe the residual value of the property is not materially less than the value at which the property is shown in the financial statements. For these reasons any provision for depreciation would be immaterial in the context of the company's financial statements, and such a policy would prevent the financial statements from showing a true and fair view as required by Section 226(2) of the Companies Act 1985.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OTHER OPERATING INCOME

	2002 £	2001 £
Rent receivable	15,990	7,358

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2002 £	2001 £
Directors' emoluments	—	—
Depreciation of owned fixed assets	1,361	1,696
Net loss on foreign currency translation	60	76

SOMERSET SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Furniture & Fittings £	Office equipment £	Total £
COST				
At 1 October 2001 and 30 September 2002	<u>33,901</u>	<u>22,363</u>	<u>24,546</u>	<u>80,810</u>
DEPRECIATION				
At 1 October 2001	3,773	21,167	20,532	45,472
Charge for the year	—	358	1,003	1,361
At 30 September 2002	<u>3,773</u>	<u>21,525</u>	<u>21,535</u>	<u>46,833</u>
NET BOOK VALUE				
At 30 September 2002	<u>30,128</u>	<u>838</u>	<u>3,011</u>	<u>33,977</u>
At 30 September 2001	<u>30,128</u>	<u>1,196</u>	<u>4,014</u>	<u>35,338</u>

5. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	—	1,232
Corporation tax	460	—
Other creditors	<u>76,166</u>	<u>81,235</u>
	<u>76,626</u>	<u>82,467</u>

6. RELATED PARTY TRANSACTIONS

At 30 September 2002 the Directors Loan Account had a credit balance of £65,517 (2001 - £67,773).

7. SHARE CAPITAL

Authorised share capital:

	2002 £	2001 £
4,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

Allotted, called up and fully paid:

	2002 No	£	2001 No	£
Ordinary shares of £1 each	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>

8. PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Balance brought forward	(33,572)	(28,428)
Retained profit/(accumulated loss) for the financial year	<u>7,778</u>	<u>(5,144)</u>
Balance carried forward	<u>(25,794)</u>	<u>(33,572)</u>

SOMERSET SECURITIES LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 30 SEPTEMBER 2002

The following pages do not form part of the statutory financial statements.