

CMM INVESTMENTS LIMITED

(Registered number 3083393)

ANNUAL REPORT

YEAR ENDED 30 JUNE 2002



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**CMM INVESTMENTS LIMITED
DIRECTORS AND OTHER INFORMATION**

DIRECTOR

C M Maxwell

SECRETARY

S Mead

REGISTERD OFFICE

136-148 Tooley Street
London
SE1 2TU

COMPANY NUMBER

3083393

AUDITORS

PKF
New Garden House
78 Hatton Garden
London
EC1N 8JA

**CMM INVESTMENTS LIMITED
DIRECTORS' REPORT**

The director presents his report together with the audited financial statements for the year ended 30 June 2002.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the ownership of property.

DIRECTOR

The following director has held office since 1 July 2001.

C M Maxwell

DIRECTOR'S INTERESTS

The director's interest in the shares of the company was as stated below:

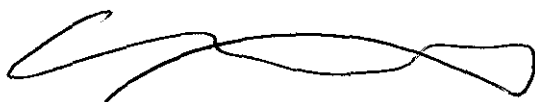
	Ordinary shares of £1 each	
	30 June 2002	1 July 2001
C M Maxwell	2	2

AUDITORS

Hazlem Fenton resigned as auditors. PKF were appointed and will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

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

BY ORDER OF THE BOARD



C M Maxwell
Director
30th April 2003

CMM INVESTMENTS LIMITED
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; and
- 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 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.

The directors are responsible for ensuring that the directors' report and other information included in the financial statements is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CMM INVESTMENTS LIMITED

We have audited the financial statements of CMM Investments Limited for the year ended 30 June 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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

The directors' 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 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 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 affairs of the company's as at 30 June 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PKF
Registered Auditors
London, UK

30th April 2003

CMM INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2002

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> £
Turnover	2	40,000	-
Administrative expenses		(38,719)	7,947
Operating profit/(loss)		1,281	7,947
Interest payable and similar charges		(64,002)	(19,465)
Loss on ordinary activities before Taxation		(62,721)	(11,518)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after Taxation	8	(62,721)	(11,518)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>2002</u> £	<u>2001</u> £
Loss for the financial year	(62,721)	(11,518)
Unrealised surplus on revaluation of tangible fixed asset	910,000	-
Total recognised gains and losses relating to the year	847,279	(11,518)

CMM INVESTMENTS LIMITED
BALANCE SHEET
30 JUNE 2002

	<u>Notes</u>	<u>£</u>	<u>2002</u>	<u>£</u>	<u>2001</u>	<u>£</u>
FIXED ASSETS						
Tangible assets	4		<u>4,100,000</u>		<u>3,190,000</u>	
CURRENT ASSETS						
Debtors	5	125,717			-	
CREDITORS						
Amounts falling due within one year	6	(61,260)			(181,044)	
NET CURRENT ASSETS/(LIABILITIES)			<u>64,457</u>		<u>(181,044)</u>	
Total assets less current liabilities			<u>4,164,457</u>		<u>3,008,956</u>	
CREDITORS						
Amounts falling due after more than one year	6		(964,139)		(655,917)	
			<u>3,200,318</u>		<u>2,353,039</u>	
CAPITAL AND RESERVES						
Called up share capital	7		2		2	
Revaluation reserve	8		3,507,021		2,597,021	
Profit and loss account	8		(306,705)		(243,984)	
SHAREHOLDERS' FUNDS			<u>3,200,318</u>		<u>2,353,039</u>	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the board of directors on 30th April 2003



C M Maxwell
Director

CMM INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The accounts are prepared on a going concern basis which is dependent upon the continuing support of the related party Rapida Graphics Limited, a company controlled by Mr C M Maxell.

(b) Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis.

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

(c) Deferred taxation

As required by FRS19, Deferred Tax, full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised. This represents a change in accounting policy the effect of which is not material.

2 TURNOVER

Turnover comprises the invoiced value of rents supplied by the company.

3 TAXATION

The company has estimated losses of approximately £ 300,000 (2001 : £243,984) available for carry forward against future trading profits.

4 TANGIBLE FIXED ASSETS

	Investment Properties £
Cost	
At 1 July 2001	3,190,000
Revaluation in year	910,000
At 30 June 2002	4,100,000

The valuation of investment properties was carried out in December 2001 by Edward Symmons & Partners, Chartered Surveyors, on an open market basis. In the opinion of the director, the valuation is not materially different from the open market value of the properties as at 30 June 2002.

On an historical cost basis these would have been included at an original cost of £ 592,979 (2001 : £592,979), and aggregate depreciation of £ nil (2001 : £nil).

CMM INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

5 DEBTORS

	<u>2002</u> £	<u>2001</u> £
Other debtors	125,717	-

Other debtors include an amount of £125,717 which is receivable in over one year (2001 : £nil).

6 CREDITORS

	<u>2002</u> £	<u>2001</u> £
Amounts falling due within one year:		
Bank loan and overdrafts	61,260	94,572
Other creditors	-	86,472
	<u>61,260</u>	<u>181,044</u>
 Amounts falling due after more than one year:		
Bank loans	<u>964,139</u>	<u>655,917</u>
 Analysis of loans		
Not wholly repayable within five years by instalments	1,025,399	750,489
Included in current liabilities	<u>(61,260)</u>	<u>(94,572)</u>
	<u>964,139</u>	<u>655,917</u>
 Instalments not due within five years	<u>703,799</u>	<u>456,864</u>

The bank loan is secured on the Investment properties of the company.

Instalments due within one year have been included in current liabilities amounting to £61,260 (2001 : £94,572).

7 SHARE CAPITAL

	<u>2002</u> £	<u>2001</u> £
Authorised		
1,000,000 Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
 Allotted, called up and fully paid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

CMM INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

8 STATEMENT OF MOVEMENTS ON RESERVES

	<u>2002</u> £	<u>2001</u> £
Profit and loss account		
Balance brought forward	(243,984)	(232,466)
Loss for year	(62,721)	(11,518)
Balance at 30 June 2002	(306,705)	(243,984)
Revaluation reserve		
Balance brought forward	2,597,021	2,597,021
Revaluation during the year	910,000	-
Prior period adjustment	-	-
Balance at 30 June 2002	3,507,021	2,597,021

9 CONTROL

The company was controlled throughout the year by Mr C M Maxell.

10 RELATED PARTY TRANSACTIONS

Other debtors comprise an amount due from Rapida Graphics Limited, which is a company controlled by Mr C M Maxwell, of £125,717 (2001 : amount due to Rapida Graphics Limited of £86,742), which relates to expenses of £85,717 paid by CMM Investments Limited on behalf of Rapida Graphics Limited and rent receivable of £40,000 from Rapida Graphics Limited. The company acquired services from Maxwells Solicitors amounting to £ nil (2001 : £1,542), a firm in which Mr J Maxwell, the brother of Mr C M Maxwell, is a sole practioner.