

STATELAND PROPERTIES LIMITED
REGISTERED NUMBER: 3404591

DIRECTORS REPORT

The directors hereby submit their report and the accounts of the Company for the year ended 1st January 2002. The Company was incorporated on 17th July 1997.

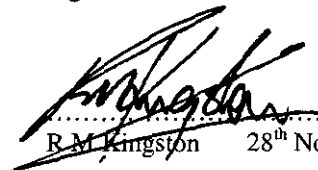
The directors of the Company during the financial year and their interests in the shares of the Company both during the year and at the year end were as follows:

Director	Appointed	Resigned	No. of Shares During Year	No. of Shares At Year End
N Harley	1 st April 1998	N/A	1	1
R M Kingston	1 st April 1998	N/A	1	1
T Lee	17 th July 1998	N/A	1	1

The Company was incorporated to acquire the freehold of a single residential property divided into four flats on behalf of the leaseholders. The property is known as 14, Goldhurst Terrace, West Hampstead, London, NW6 3HU. The acquisition of the freehold was the sole transaction of the Company.

The Company has not entered into any transactions during the year. Any subsequent maintenance expenses have been met by the leaseholders personally. The leaseholders as individuals have established a sinking fund to meet maintenance costs. The Company intends to take over the sinking fund but has not yet done so.

Signed on behalf of the Board.


R M Kingston 28th November 2002

PROFIT AND LOSS ACCOUNT
For the period ended 1st January 2002

The directors have confirmed that the Company itself has not generated any revenues or incurred any expenditure. Accordingly, there is no requirement to present a Profit and Loss Account.

BALANCE SHEET
As at 1st January 2002

Fixed Assets: Freehold of 14, Goldhurst Terrace	<u>£5,400</u>
Represented by Share Capital	
Authorised: 1,000 ordinary shares of £1 each	
Issued: 4 ordinary shares of £1 each	£ 4
Share Premium	<u>5,396</u>
Shareholders Funds	<u>£5,400</u>

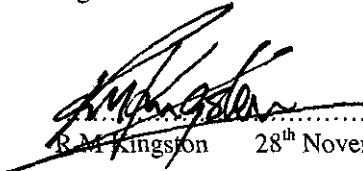


The directors have:

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1)
- b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- c) acknowledged their responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985
- d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the Company and of its profit/loss for the year then ended in accordance with the requirements of Section 226 of the Companies Act and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this Company.

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies (Section 246(8) of the Act).

Signed on behalf of the Board.


R. M. Kingston 28th November 2002

NOTES TO ACCOUNTS

- 1. All income and expenditure is recorded on an accruals basis, except where expenses have been met by the leaseholders personally and, accordingly, it does not form part of these accounts.
- 2. Fixed Assets represents the cost of the Freehold of the property, including acquisition costs.