Co House

Company Registration No. 3669621 (England and Wales)

OPEC CONSTRUCTION PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002



OPEC CONSTRUCTION PLC

COMPANY INFORMATION

Directors	F Rogers P Basford (Appointed 20 September 2001)
Secretary	F Rogers
Company number	3669621
Registered office	Westgate Chambers 8a Elm Park Road,Pinner Middlesex HA5 3LA
Auditors	Morgan Berkeley Westgate Chambers 8a Elm Park Road,Pinner Middlesex HA5 3LA
Business address	Parsonage Farm, Langley Park Road Iver Bucks SL0 0JW
Bankers	National Westminster Bank Plc 118 High Street Slough Berks. SL1 1JG

OPEC CONSTRUCTION PLC

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the financial statements	8 - 11

OPEC CONSTRUCTION PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and financial statements for the year ended 31 March 2002.

Principal activities and review of the business
The principal activity of the company is that of office refurbishment.

The company was incorporated on 18th November 1998 and started trading on 1st October 2001.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the forseeable future.

Results and dividends
The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors
The following directors have held office since 1 April 2001:

F Rogers	
R J Lloyd	(Resigned 20 September 2001)
P Basford	(Appointed 20 September 2001)

Directors' interests
The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 March 2002	**1 April 2001**
F Rogers	25,000	-
P Basford	-	-

P Basford has an indirect interest in the company by virtue of his wife's shareholding in the company.

Taxation status
The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Creditor payment policy
It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and it's suppliers, provided that all trading terms and conditions have been met.

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morgan Berkeley be reappointed as auditors of the company will be put to the Annual General Meeting.

OPEC CONSTRUCTION PLC

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

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;
- 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 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.

On behalf of the board

.....

F Rogers

Director

16th June 2003

OPEC CONSTRUCTION PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OPEC CONSTRUCTION PLC

We have audited the financial statements of Opec Construction PLC on pages 4 to 11 for the year ended 31 March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

Going concern

During the year, the company made a loss of £113,407 and as at the balance sheet date, the company's liabilities exceeded its assets by £100,907. In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the availibility as to the continuation of support from the company's bankers, creditors, director and shareholders. In view of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Morgan Berkeley

Morgan Berkeley

Chartered Certified Accountants

Registered Auditor

2nd July 2003

Westgate Chambers
8a Elm Park Road,Pinner
Middlesex
HA5 3LA

OPEC CONSTRUCTION PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £
Turnover	2	1,349,002
Cost of sales		(1,177,457)
Gross profit		171,545
Administrative expenses		(284,919)
Operating loss	3	(113,374)
Interest payable and similar charges	4	(33)
Loss on ordinary activities before taxation		(113,407)
Tax on loss on ordinary activities	5	-
Loss on ordinary activities after taxation	9	(113,407)

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

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

OPEC CONSTRUCTION PLC

BALANCE SHEET
AS AT 31 MARCH 2002

	Notes	2002 £	£
Current assets			
Debtors	6	318,090	
		318,090	
Creditors: amounts falling due within one year	7	(418,997)	
Total assets less current liabilities			(100,907)
Capital and reserves			
Called up share capital	8		12,500
Profit and loss account	9		(113,407)
Shareholders' funds - equity interests	10		(100,907)

The financial statements were approved by the Board on 16th June 2003

.....
F Rogers
Director

OPEC CONSTRUCTION PLC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002

	2002	
	£	£
Net cash outflow from operating activities		(42,596)
Returns on investments and servicing of finance		
Interest paid	(33)	
Net cash outflow for returns on investments and servicing of finance		(33)
Net cash outflow before management of liquid resources and financing		(42,629)
Financing		
Issue of ordinary share capital	12,500	
Net cash inflow/(outflow) from financing		12,500
Decrease in cash in the year		(30,129)

OPEC CONSTRUCTION PLC

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002

1 Reconciliation of operating loss to net cash outflow from operating activities

	2002 £
Operating (loss)/profit	(113,374)
Increase in debtors	(318,090)
Increase in creditors within one year	388,868
Net cash outflow from operating activities	(42,596)

2 Analysis of net debt

	1 April 2001 £	Cash flow £	Other non-cash changes £
Net cash:			
Bank overdrafts	-	(30,129)	-
Net debt	-	(30,129)	-

3 Reconciliation of net cash flow to movement in net debt

	2002 £
Decrease in cash in the year	(30,129)
Movement in net debt in the year	(30,129)
Opening net debt	-
Closing net debt	(30,129)

OPEC CONSTRUCTION PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

As at the balance sheet date, the company's liabilities exceeded its assets.
The company meets its day to day working capital requirements through an overdraft facility, which is repayable on demand, and support from its creditors, bankers, directors and shareholders.
The director is of the opinion that the company will be able to continue its activities for the foreseeable future and considers it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of support from the company's bankers, creditors, director and shareholders.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2002 £
Operating loss is stated after charging:	
Auditors' remuneration	3,000
Remuneration of auditors for non-audit work	12,475

4 Interest payable

	2002 £
On bank loans and overdrafts	33

5 Taxation

	£
Current tax charge	-
Factors affecting the tax charge for the year	
Loss on ordinary activities before taxation	(113,407)

The company has estimated losses of £ 106,182 available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

6 Debtors

	2002 £
Trade debtors	310,199
Other debtors	4,979
Prepayments and accrued income	2,912
	318,090

7 Creditors: amounts falling due within one year

	2002 £
Bank loans and overdrafts	30,129
Trade creditors	251,558
Taxes and social security costs	33,731
Directors' current accounts	46,454
Other creditors	27,093
Accruals and deferred income	30,032
	418,997

8 Share capital

	2002 £
Authorised	
100,000 Ordinary of £ 1 each	100,000
Allotted, called up and fully paid	
50,000 Ordinary shares of £1 each (part paid 25p each)	12,500

9 Statement of movements on profit and loss account

	Profit and loss account £
Retained loss for the year	(113,407)

10 Reconciliation of movements in shareholders' funds

	2002 £
Loss for the financial year	(113,407)
Proceeds from issue of shares	12,500
Net depletion in shareholders' funds	(100,907)
Opening shareholders' funds	-
Closing shareholders' funds	(100,907)

11 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2002 £	Maximum in year £
F Rogers	4,397	4,397

12 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number
Sales and administration	9

Employment costs

	£
Wages and salaries	110,191
Social security costs	10,905
	121,096

13 Control

The directors, Mr F Rogers and Mr P Basford controls the company by virtue of their direct and indirect interests in the company.

14 Related party transactions

Bluechain Limited (A company in which Mr F Rogers is a director)

Management charges payable was £100,000 for use of assets and administration charges.
The balance owed to the company at the year end was £20,415 and is included in creditors.