P. GRAHAM ESTATES (FERENEZE) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR TO 31ST DECEMBER 2002



Registered Number: Registered in Scotland - No 63261

P. GRAHAM ESTATES (FERENEZE) LIMITED

DIRECTORS AND APPOINTMENTS

Directors:	A M Barns-Graham P C Barns-Graham
Secretary:	A M Barns-Graham
Registered Office	Carbeth Guthrie Blanefield Near Glasgow
Registered Number:	Registered in Scotland - No 63261

P. GRAHAM ESTATES (FERENEZE) LIMITED

DIRECTORS REPORT

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

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;

comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is inappropriate to presume 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.

PRINCIPAL ACTIVITY

The Company holds the entire issued share capital of Fereneze Properties Limited which engages in property owning and letting.

DIRECTORS

The directors whose names appear in the table below held office during the whole of the period from 1st January 2002 to the date of this report.

Their interests in the shares of the company, according to the register of directors' interests, were as shown below:

	31st December 2002	31st December 2001
A M Barns-Graham (Chairman)	2,000	2,000
P C Barns-Graham	2,000	2,000

P.GRAHAM ESTATES (FERENEZE) LIMITED

DIRECTORS REPORT (Continued)

Advantage has been taken in the preparation of the director's report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Approved by the board on 31st March 2003
and signed on its behalf by

A M Barns-Graham, Secretary

P. GRAHAM ESTATES (FERENEZE) LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 2002

	2002 £	2001 £
INVESTMENT IN SUBSIDIARY (Note 2)		
Shares at cost	701.04	701.04
Amounts due by subsidiary	6,354.40	6,354.40
	7,055.44	7,055.44
NET CURRENT ASSETS	-	-
NET ASSETS	7,055.44	7,055.44
Represented by:		
Share capital		
Authorised, issued and fully paid		
5,000 shares of £1 each	5,000.00	5,000.00
Profit and loss account	2,055.44	2,055.44
	7,055.44	7,055.44

The directors have:-

a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1) [total exemption]
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 for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.
e) (i) taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985, and
(ii) in their opinion the company is entitled to those exemptions on the basis that it qualifies as a small company.

..... DIRECTOR
(A M Barns-Graham)

..... DIRECTOR
(P C Barns-Graham)

The attached notes form part of these financial statements

P. GRAHAM ESTATES (FERENEZE) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2002

	2002 £	2001 £
PROFIT FOR YEAR BEFORE TAXATION	-	-
PROFIT FOR YEAR AFTER TAXATION	-	-
BALANCE BROUGHT AND CARRIED FORWARD	2,055.44	2,055.44

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The Accounts have been prepared under the Historical Cost Convention.

2. SUBSIDIARY COMPANY

The company owns the entire issued ordinary share capital of Fereneze Properties Limited, registered in England.