

CARROLL SECURITIES AND INVESTMENTS LIMITED

DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001



Carroll Securities and Investments Limited (Company Number : 2770824)

Chairman's Report for the year ended 31st March 2001.

G. J. H. Carroll as the Life Tenant, Settlor representing The Carroll Foundation as Parent Shareholders of the Company was duly appointed a Director of this Company in January 2001 for the sole purpose of continuing a strict "Care Protection and Maintenance Programme" of the surviving Carroll Foundation Interests, in close consultation with the Department of Trade and Industry. The Carroll Foundation conducted an in depth and wide ranging Criminal Investigation Programme with the HM Government Department, The Inland Revenue, during the period 1997 to July 2000.

The Company known as Carroll Securities and Investments Limited (Company Number 2770824) was Incorporated by The Carroll Foundation, Board of Trustees, and designated specifically as a Trust Asset Management Company (TAMC). In the opinion of the Directors of the Company, and the Parent Shareholders The Carroll Foundation, a provisional sum of £850,000 (Eight Hundred and Fifty Thousand Pounds) has been attributed to the Company pursuant to Criminal Fraudulent Losses flowing from the Fraudulent Criminal Administration of the Company by the former Officers of the Company, and former Financial Administrators, and Trustees of The Carroll Foundation.

Included in the Provisional Sum attributed to the Company of £850,000 (Eight Hundred and Fifty Thousand Pounds) pursuant to the Criminal Fraudulent Losses as defined in this Chairman's Report, further very substantial losses have been incurred by the Company and Parent Shareholders The Carroll Foundation pursuant to the Assets and Funds of this Company and The Carroll Foundation in Association with Oxford University in relation to The Carroll Foundation – "Carroll Chair of Irish History" – Oxford University. The Carroll Foundation Oxford University Charitable Endowment Agreement 1990. The Carroll Foundation Oxford University Charitable Endowment Agreement "Amended 1999".

For the avoidance of any doubt, this Chairman's Report has been submitted to the Board of the Company, and to separately the Shareholders of the Company, The Carroll Foundation, for the purposes of further enhancing the continuity of a fully transparent Department of Trade and Industry "Regulatory Compliance Framework", in support of HM Government Department Investigations, specifically the Department of Trade and Industry, the Inland Revenue. Also for the avoidance of any doubt and confusion the HM Government Law Enforcement Agencies including The Metropolitan Police.

CARROLL SECURITIES AND INVESTMENTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2001

The director presents his report and the accounts for the company for the year ended 31st March 2001.

Principal activities

The company's principal activity during the year was that of property management.

Director and his interests

The director who held office during the year and his beneficial interest in the company's issued share capital are given below:

Name of director	Share type	31st March 2001	1st April 2000
G.J.H. Carroll	-	-	-

Statement of director's responsibilities

Company law requires the director to prepare accounts 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 for that year. In preparing those accounts the director is 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 accounts;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

Small company exemptions

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

By order of the Board

G.J.H. Carroll, Director

Date: 12/9/2001

CARROLL SECURITIES AND INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2001

	Notes	2001 £	2000 £
Administrative expenses		(30,000)	(30,000)
Other operating income		30,000	30,000
Operating loss	2	-	-
Tax on loss on ordinary activities		-	-
Loss for the financial year		-	-
Retained loss brought forward		(95,351)	(95,351)
Retained loss carried forward		(95,351)	(95,351)

There were no recognised gains or losses for 2001 or 2000 other than those included in the profit and loss account. However very substantial losses have been incurred by this company in previous years, and these accounts should be read in conjunction with the Chairman's Report.

CARROLL SECURITIES AND INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	3		10		10
Current assets					
Cash at bank and in hand		218		218	
Creditors: amounts falling due within one year	4	(20,577)		(20,577)	
Net current liabilities			(20,359)		(20,359)
Total assets less current liabilities			(20,349)		(20,349)
Capital and reserves					
Share capital	5		2		2
Revaluation reserve			75,000		75,000
Profit and loss account			(95,351)		(95,351)
Shareholders' funds			(20,349)		(20,349)

The director is of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st March 2001.

The director confirms that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The director confirms that he is responsible for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year 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 the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the board on 12/9/2001 and signed on its behalf by:

G.J.H. Carroll
Director

CARROLL SECURITIES AND INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2001

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to crystallise.

2 Operating loss

The operating loss is stated after charging or crediting:

	2001	2000
	£	£
Rental income	(30,000)	(30,000)

3 Tangible fixed assets

	Short leasehold land and buildings	Total
	£	£
Cost or valuation		
At 1st April 2000	75,000	75,000
At 31st March 2001	75,000	75,000
Depreciation		
At 1st April 2000	74,990	74,990
At 31st March 2001	74,990	74,990
Net book value		
At 31st March 2001	10	10
At 31st March 2000	10	10

CARROLL SECURITIES AND INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2001

4	Creditors: amounts falling due within one year	2001	2000
		£	£
	Other creditors	20,577	20,577

5	Share capital	2001	2000
		£	£
	Authorised		
	1,000 Ordinary shares of £1.00 each	1,000	1,000
	Allotted		
	2 Allotted, called up and fully paid ordinary shares of £1.00 each	2	2

6 Related parties

The company's ultimate parent company is Carroll Iberian Development Corporation Limited which is incorporated in England.

The company is controlled ultimately by the Carroll Foundation (Hoffman) Settlement.