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**COMPANY NUMBER:
3119496 (ENGLAND & WALES)**

**GRAHAM INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**



GRAHAM INVESTMENTS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

CONTENTS

	Page
Company Information	1
Directors' Report	2
Profit & Loss Account	3
Balance Sheet	4
Notes	5
Detailed Profit & Loss Account	8

GRAHAM INVESTMENTS LIMITED

COMPANY INFORMATION

Company Number: 3119496 (England & Wales)

Directors: Carl Graham
Christopher Graham

Secretary: Carl Graham

Registered Office: Timberlee,
Whitehill Road,
Meopham,
Kent DA13 0NT

GRAHAM INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and the financial statements for the year ended 31 December 2001.

Principal activities

The principal activity of the company continues to be that of property investment.

Directors' interests

The directors of the company during the year and their interests in the share capital of the company as recorded in the register of directors' interests were as follows:

	2001	2000
	No.	of shares
C A Graham	50	50
C M Graham	50	50

Both directors have a family interest in 50% each of the issued "A" shares.

Responsibilities of the directors

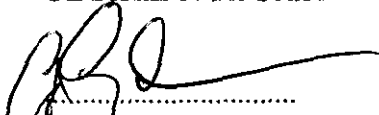
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- 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.

This report was approved by the board on 9 September 2002 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002).

On behalf of the board


.....
Carl Graham

GRAHAM INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
Turnover	2	3,699	2,867
Cost of sales		(1,129)	(827)
Gross Profit		<u>2,570</u>	<u>2,040</u>
Administrative expenses		(576)	(593)
Other operating income		1,994 445	1,447 108
Operating profit	3	<u>2,439</u>	<u>1,555</u>
Profit on ordinary activities before taxation		2,439	1,555
Tax on profit on ordinary activities	4	(48)	(388)
Retained profit for the year		<u><u>2,391</u></u>	<u><u>1,167</u></u>

The annexed notes form part of these financial statements.

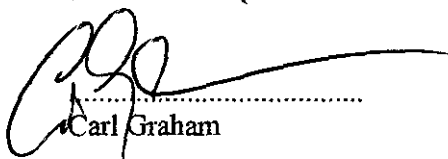
GRAHAM INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	5	36,077	36,105
Current assets			
Cash at bank and in hand		32,677	7,003
		<u>32,677</u>	<u>7,003</u>
Creditors			
Amounts due within one year	6	(242)	(390)
		<u></u>	<u></u>
Net current assets		32,435	6,613
		<u></u>	<u></u>
Total assets less current liabilities		68,512	42,718
		<u></u>	<u></u>
Creditors			
Amounts falling due after more than one year	7	(62,095)	(38,692)
		<u></u>	<u></u>
Net assets		6,417	4,026
		<u></u>	<u></u>
Capital and reserves			
Called up share capital	8	150	150
Profit and loss account	9	6,267	3,876
		<u></u>	<u></u>
Shareholders' funds		6,417	4,026
		<u></u>	<u></u>

In the opinion of the directors the company is entitled to claim exemptions from audit by virtue of subsection (1) of Section 249A of the Companies Act 1985. No notice requiring an audit has been deposited under s.249B(2) of the Companies Act 1985. The directors are responsible for ensuring that the company maintains accounting records in compliance with Section 221 of that Act and for preparing accounts which give a true and fair view of the affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with Section 226, and which comply with the other requirements of the Act relating to the accounts so far as applicable to the company.

Approved by the board of directors on 9 September 2002 and signed on its behalf. These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Small Entities (Effective June 2002).



 Carl Graham

The annexed notes form part of these financial statements.

GRAHAM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

1. Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002).

Cash flow statement

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

Turnover

Turnover comprises the invoiced value of rent charged by the company, net of Value Added Tax and trade discounts.

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment 25% of net book value

No depreciation is provided against freehold property.

2. Turnover

The turnover and profit before taxation is attributable to the principal activity of the company, and is earned entirely within the United Kingdom.

3. Operating profit

	2001	2000
	£	£
This is stated after charging:		
Depreciation of owned assets	28	38
	<u> </u>	<u> </u>

GRAHAM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2001

4. Taxation on profit on ordinary activities

	2001	2000
	£	£
Current year:		
United Kingdom Corporation Tax	243	388
	<u>243</u>	<u>388</u>
Prior years:		
United Kingdom Corporation Tax over provided	(195)	-
	<u>48</u>	<u>388</u>
	<u><u>243</u></u>	<u><u>388</u></u>

5. Tangible fixed assets

	Land and Buildings £	Plant and Machinery etc £	Total £
Cost:			
At 1 January 2001	35,992	330	36,322
	<u>35,992</u>	<u>330</u>	<u>36,322</u>
At 31 December 2001	35,992	330	36,322
	<u>35,992</u>	<u>330</u>	<u>36,322</u>
Depreciation:			
At 1 January 2001	-	217	217
Charge for the year	-	28	28
	<u>-</u>	<u>245</u>	<u>245</u>
At 31 December 2001	-	245	245
	<u>-</u>	<u>245</u>	<u>245</u>
Net book value:			
At 31 December 2001	35,992	85	36,077
	<u><u>35,992</u></u>	<u><u>85</u></u>	<u><u>36,077</u></u>
At 31 December 2000	35,992	113	36,105
	<u><u>35,992</u></u>	<u><u>113</u></u>	<u><u>36,105</u></u>

6. Creditors - amounts falling due within one year

	2001	2000
	£	£
Taxation and social security	242	390
	<u>242</u>	<u>390</u>
	<u><u>242</u></u>	<u><u>390</u></u>

GRAHAM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2001

7. Creditors - amounts falling due after more than one year

	2001	2000
	£	£
Other creditors	7,392	5,952
Director's current account	54,703	32,740
	<u>62,095</u>	<u>38,692</u>

8. Share capital

	2001	2000
	£	£
Authorised		
Ordinary shares of £1 each	950	950
"A" ordinary shares of £1 each	50	50
	<u>1,000</u>	<u>1,000</u>
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100
"A" ordinary shares of £1 each	50	50
	<u>150</u>	<u>150</u>

9. Profit and loss account

	2001
	£
Balance at 1 January 2001	3,876
Profit retained for the year	2,391
	<u>6,267</u>