

STONEHURST ESTATES LIMITED
ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2001

Company Registration Number 1070521



STONEHURST ESTATES LIMITED
ACCOUNTS
YEAR ENDED 31 MARCH 2001

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STONEHURST ESTATES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

Mr M A Briggs
Mr S A Briggs

Company Secretary

Mrs E Briggs

Registered Office

21 Villiers Street
London
WC2N 6ND

Auditors

The Parker Partnership
Chartered Accountants
& Registered Auditors
Cornelius House
178/180 Church Road
Hove
East Sussex
BN3 2DJ

Bankers

National Westminster Bank plc
P O Box 2DG
208 Piccadilly
London
W1A 2DG

STONEHURST ESTATES LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31 MARCH 2001**

The directors have pleasure in presenting their report and the accounts of the Company for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of an hotelier and property investment and development.

RESULTS AND DIVIDENDS

The trading results for the year, and the Company's financial position at the end of the year are shown in the attached accounts.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the Company during the year together with their beneficial interests in the shares of the Company were as follows:

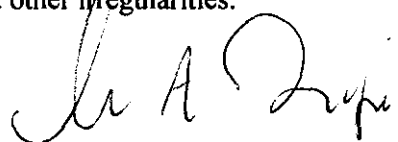
	Ordinary Shares of £1 each	
	At 31 March 2001	At 1 April 2000
Mr M A Briggs	75,081	75,081
Mr S A Briggs	<u>72,079</u>	<u>72,079</u>

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company at the end of the year and of the profit or loss for the year then ended.

In preparing those accounts, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the accounts 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 accounts comply with the Companies Act 1985. The directors 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.



Signed on behalf of the directors

Mr M A Briggs
Director

Approved by the directors on 20/11/01

STONEHURST ESTATES LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MARCH 2001

We have audited the accounts on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. However we have been unable to obtain independent confirmation of the Company's title to or value of the Portuguese property included in stock at £175,000 (2000:£175,000).

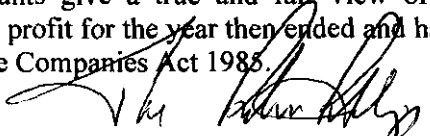
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

Except for any adjustments that might have been found to be necessary to the realisable value of the Portuguese property, in our opinion the accounts give a true and fair view of the state of the Company's affairs at 31st March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Cornelius House
178/180 Church Road
Hove
East Sussex
BN3 2DJ

SA Dmbr 2001


THE PARKER PARTNERSHIP
Chartered Accountants
& Registered Auditors

STONEHURST ESTATES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2001

	Note	2001 £	2000 £
TURNOVER	2	3,310,757	2,948,045
Cost of sales		2,070,161	1,168,863
GROSS PROFIT		1,240,596	1,779,182
Administrative expenses		796,644	706,865
OPERATING PROFIT	3	443,952	1,072,317
Interest receivable		9,501	2,844
Interest payable and similar charges	6	(171,981)	(170,912)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		281,472	904,249
Tax on profit on ordinary activities	7	(88,290)	(278,369)
RETAINED PROFIT FOR THE FINANCIAL YEAR		193,182	625,880
Balance brought forward		820,467	194,587
Balance carried forward		1,013,649	820,467

The Company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the Company are classed as continuing.

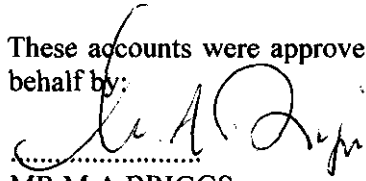
STONEHURST ESTATES LIMITED

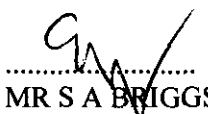
BALANCE SHEET

31 MARCH 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Intangible assets	8	39,253	46,080
Tangible assets	9	171,756	188,736
Investments	10	1	-
		<u>211,010</u>	<u>234,816</u>
CURRENT ASSETS			
Stocks	11	3,285,162	3,110,778
Debtors due within one year	12	360,657	425,065
Investments	13	877,199	-
Cash at bank and in hand		23,734	1,219
		<u>4,546,752</u>	<u>3,537,062</u>
CREDITORS: Amounts falling due within one year	14	<u>(3,344,901)</u>	<u>(2,448,154)</u>
NET CURRENT ASSETS		<u>1,201,851</u>	<u>1,088,908</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,412,861</u>	<u>1,323,724</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(244,702)</u>	<u>(348,747)</u>
		<u>1,168,159</u>	<u>974,977</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	147,160	147,160
Share premium account		7,350	7,350
Profit and Loss Account		1,013,649	820,467
SHAREHOLDERS' FUNDS	19	<u>1,168,159</u>	<u>974,977</u>

These accounts were approved by the directors on the 31st March 2001, and are signed on their behalf by:


MR M A BRIGGS


MR S A BRIGGS

STONEHURST ESTATES LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2001

	Note	2001 £	2000 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	21	339,618	175,959
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		9,501	2,844
Interest paid		(169,583)	(168,826)
Interest element of hire purchase		(2,398)	(2,086)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(162,480)	(168,068)
TAXATION		(282,426)	(106,589)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(1,872)	-
Acquisition of current asset investments in group undertakings		(877,199)	-
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(879,071)	-
ACQUISITIONS AND DISPOSALS			
Acquisition of shares in group undertakings		(1)	-
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS		(1)	-
CASH OUTFLOW BEFORE FINANCING		(984,360)	(98,698)
FINANCING			
Repayment of bank loans		1,142,469	(24,138)
Capital element of hire purchase		(5,954)	(4,655)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		1,136,515	(28,793)
INCREASE/(DECREASE) IN CASH	22	152,155	(127,491)

STONEHURST ESTATES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 MARCH 2001****1. ACCOUNTING POLICIES****Basis of accounting**

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Consolidation

In the opinion of the directors, the Company and its subsidiary undertakings comprise a medium-sized group. The Company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover comprises accommodation charges from hotel and rented property accommodation provided and property sale proceeds, excluding VAT.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - over 26 years

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- term of leases
Fixtures & Fittings	- 12.5% reducing balance
Motor Vehicles	- 25% reducing balance

Investment properties

Investment properties are stated at cost which equates to market value.

Stocks

Property and hotel stocks are valued at the lower of cost and net realisable value.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Pension costs

The Company operates a defined contribution pension scheme for a Director and the Company Secretary. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions paid to and management charges paid on behalf of the scheme during the year.

2. TURNOVER

The turnover and profit before taxation are attributable to the Company's principal activities.

STONEHURST ESTATES LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2001

3. OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	£	£
Amortisation	6,827	6,827
Depreciation	18,435	21,050
Loss on disposal of fixed assets	417	-
Auditors' remuneration		
- as auditors	7,000	7,000
- for other services	7,888	(5,355)

Auditors' fees

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	2001	2000
	£	£
Audit	7,000	7,000
Accountancy/(overprovision)	5,000	(8,000)
Taxation	2,888	2,645
	<u>14,888</u>	<u>1,645</u>

4. PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	234,064	219,273
Social security costs	18,626	16,703
Life assurance costs	1,254	1,107
Other pension costs	680	2,880
	<u>254,624</u>	<u>239,963</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2001	2000
	£	£
Emoluments receivable	76,660	76,956
Value of Company pension contributions to money purchase schemes	680	2,880
	<u>77,340</u>	<u>79,836</u>

STONEHURST ESTATES LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2001

5. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who are accruing benefits under Company pension schemes were as follows:

	2001 No.	2000 No.
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Interest payable on other loans	9,047	10,164
Finance charges	2,398	2,086
Interest payable on bank borrowing	160,536	158,662
	<u>171,981</u>	<u>170,912</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation Tax based on the results for the year at 30% (2000 - 30%)	87,000	278,500
Prior year corporation tax	1,290	(131)
	<u>88,290</u>	<u>278,369</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2000 and 31 March 2001	<u>177,500</u>
AMORTISATION	
At 1 April 2000	131,420
Charge for the year	6,827
At 31 March 2001	<u>138,247</u>
NET BOOK VALUE	
At 31 March 2001	<u>39,253</u>
At 31 March 2000	<u>46,080</u>

STONEHURST ESTATES LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

9. TANGIBLE FIXED ASSETS

	Freehold Property & Hotel lease £	Furniture & Fittings £	Motor Vehicles £	Total £
COST				
At 1 April 2000	220,925	145,584	50,731	417,240
Additions	-	1,872	-	1,872
Disposals	-	-	(2,500)	(2,500)
At 31 March 2001	<u>220,925</u>	<u>147,456</u>	<u>48,231</u>	<u>416,612</u>
DEPRECIATION				
At 1 April 2000	90,357	113,458	24,689	228,504
Charge for the year	7,779	4,250	6,406	18,435
On disposals	-	-	(2,083)	(2,083)
At 31 March 2001	<u>98,136</u>	<u>117,708</u>	<u>29,012</u>	<u>244,856</u>
NET BOOK VALUE				
At 31 March 2001	<u>122,789</u>	<u>29,748</u>	<u>19,219</u>	<u>171,756</u>
At 31 March 2000	<u>130,568</u>	<u>32,126</u>	<u>26,042</u>	<u>188,736</u>

Freehold property includes £80,000 for two freehold properties which are stated at original cost, which equates to market value on a current rental yield basis.

Hire purchase agreements

Included within the net book value of £171,756 is £12,784 (2000 - £17,045) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £4,261 (2000 - £5,682).

10. INVESTMENTS

Shares in Subsidiary Company

	£
COST	
Additions	1
At 31 March 2001	<u>1</u>
NET BOOK VALUE	
At 31 March 2001	<u>1</u>

The company owns 100% of the issued share capital of Capitalclimb Limited, a company incorporated in England.

Aggregate capital and reserves	(101,904)
Profit and (loss) for the period	(101,905)

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

STONEHURST ESTATES LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2001

11. STOCKS

	2001 £	2000 £
UK property developments in progress	3,110,162	2,935,778
Portuguese property	175,000	175,000
	<u>3,285,162</u>	<u>3,110,778</u>

In the Directors' opinion the replacement cost of the UK properties is £6,500,000. The Portuguese property is not readily realisable.

12. DEBTORS

	2001 £	2000 £
Trade debtors	59,975	32,348
Amounts owed by group undertakings	37,250	205,502
VAT recoverable	-	50,964
Other debtors	208,312	81,638
Prepayments and accrued income	55,120	54,613
	<u>360,657</u>	<u>425,065</u>

13. INVESTMENTS

	2001 £	2000 £
Loans to group undertakings	<u>877,199</u>	<u>-</u>

14. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Pension Scheme loan	80,000	80,000
E Briggs Settlement loan	-	33,625
Bank loans and overdrafts	2,730,591	1,621,352
Trade creditors	26,839	162,460
Amounts owed to group undertakings	179,499	92,838
Hire purchase agreements	6,986	5,305
Corporation Tax	87,000	281,136
PAYE and social security	23,173	49,526
VAT	25,030	-
Accruals and deferred income	185,783	121,912
	<u>3,344,901</u>	<u>2,448,154</u>

The bank loans and overdrafts are secured on the Company's leasehold hotel, its investment properties and UK property stocks, and a fixed and floating charge over all current and future assets of the Company.

The property bank loans are repayable from the associated property sale proceeds.

STONEHURST ESTATES LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2001

15. CREDITORS: Amounts falling due after more than one year

	2001 £	2000 £
Bank loans and overdrafts	244,702	341,112
Hire purchase agreements	-	7,635
	<u>244,702</u>	<u>348,747</u>

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2001 £	2000 £
Amounts payable within 1 year	6,986	5,305
Amounts payable between 1 and 2 years	-	7,635
	<u>6,986</u>	<u>12,940</u>

17. RELATED PARTY TRANSACTIONS

	Debtor/ (creditor) at end of year £	(Sales to) purchases during the year £	Debtor/ (creditor) end last year £
M A Briggs			
Director's loan account	(19,336)	-	7,434
S A Briggs (Property developer)	(93,114)	-	17,068
S A Briggs & A Bligh partnership	(67,049)	-	(79,000)
Bayhurst Securities Ltd	-	-	(2,838)
Leonard Trust Ltd	37,250	-	30,000
- interest receivable	4,850	(2,450)	2,400
Leicester Loft Company Ltd	-	-	140,000

These last three companies are related by virtue of common directors and shareholders.

Capitalclimb Ltd	877,198	-	-
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This company is a wholly owned subsidiary of the Company as more fully disclosed in note 10.

STONEHURST ESTATES LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

18. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
250,000 Ordinary shares of £1.00 each	<u>250,000</u>	<u>250,000</u>

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	<u>147,160</u>	<u>147,160</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	193,182	625,880
Opening shareholders' equity funds	<u>974,977</u>	<u>349,097</u>
Closing shareholders' equity funds	<u>1,168,159</u>	<u>974,977</u>

20. FINANCIAL COMMITMENTS

The Company had no capital commitments at 31st March 2001.

The Company had annual commitments under non-cancellable leases on land and buildings expiring in two to five years of £183,500.

21. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	443,952	1,072,317
Amortisation	6,827	6,827
Depreciation	18,435	21,050
Loss on disposal of fixed assets	417	-
Increase in stocks	(174,384)	(643,071)
Decrease/(Increase) in debtors	64,408	(249,506)
Decrease in creditors	(20,037)	(31,658)
Net cash inflow from operating activities	<u>339,618</u>	<u>175,959</u>

STONEHURST ESTATES LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2001

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001		2000
	£	£	£
Increase/(Decrease) in cash in the period	152,155		(127,491)
Net cash (inflow)/outflow from bank loans	(1,142,469)		24,138
Cash outflow in respect of hire purchase	5,954		4,655
	<u>(984,360)</u>		<u>(98,698)</u>
Change in net debt	(984,360)		(98,698)
Net debt at 1 April 2000	(1,974,185)		(1,875,487)
Net debt at 31 March 2001	<u>(2,958,545)</u>		<u>(1,974,185)</u>

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2000 £	Cash flows £	At 31 Mar 2001 £
Net cash:			
Cash in hand and at bank	1,219	22,515	23,734
Overdrafts	(259,842)	129,640	(130,202)
	<u>(258,623)</u>	<u>152,155</u>	<u>(106,468)</u>
Debt:			
Debt due within 1 year	(1,361,510)	(1,238,879)	(2,600,389)
Debt due after 1 year	(341,112)	96,410	(244,702)
Hire purchase agreements	(12,940)	5,954	(6,986)
	<u>(1,715,562)</u>	<u>(1,136,515)</u>	<u>(2,852,077)</u>
Net debt	<u>(1,974,185)</u>	<u>(984,360)</u>	<u>(2,958,545)</u>

STONEHURST ESTATES LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2001

**The following page does not form part of the statutory accounts
which is the subject of the auditors' report on page 3.**

STONEHURST ESTATES LIMITED
SUMMARY OF RESULTS
YEAR ENDED 31 MARCH 2001

	2001	2000
	£	£
Net Profit - Royal Adelphi Hotel	159,931	150,884
Net Profit - Property Trading and Investment	121,541	753,365
	<u>281,472</u>	<u>904,249</u>