

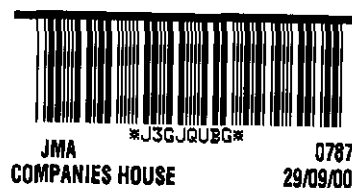
Registered No:
1357421

G. & B. INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2000



JACK ROSS & CO.
Registered Auditors
Chartered Accountants
Grange House
17/27 John Dalton Street
Manchester
M2 6FW

G. & B. INVESTMENTS LIMITED
REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Annual Report, together with the Financial Statements for the year ended 31st March 2000.

PRINCIPAL ACTIVITY

The Company is principally engaged in the operation of an Investment Company.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year together with their shareholdings, are as follows:-

	2000		1999	
	Ordinary Shares	Deferred Shares	Ordinary Shares	Deferred Shares
G. PHILLIPS	25,000	499	25,000	499
B. F. PHILLIPS	14,000	501	14,000	501

The company's Articles of Association do not require the Directors to retire by rotation. .

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 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Jack Ross & Co., Chartered Accountants will be proposed for re-appointment in accordance with Section 384 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD,

B. F. Phillips
B. F. PHILLIPS - Secretary

23/9/2000 . Date

AUDITORS' REPORT
to the Members of
G. & B. INVESTMENTS LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 1 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

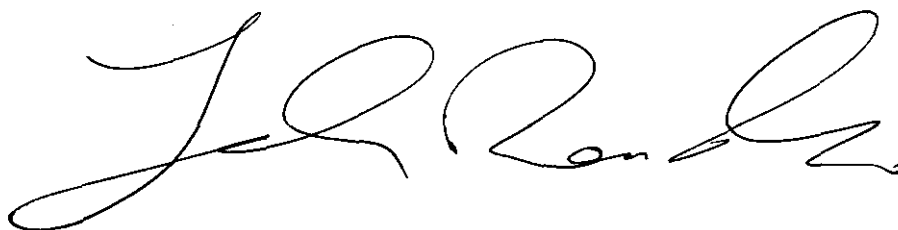
BASIS OF OPINION

We conducted our audit in accordance with 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2000, and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



JACK ROSS & CO.
Registered Auditors
Chartered Accountants
Grange House
17/27 John Dalton Street
Manchester M2 6FW

27/9/00

G. & B. INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2000

		<i>Continuing Operations</i> 2000	1999
		£	£
Profit on Sale of Tangible Asset		20,200	-
Interest Receivable		66,981	80,917
Income from fixed asset investments	2	164,023	1,273
Rental Income		25,232	40,437
		276,436	122,627
Administrative Expenses		3,663	4,048
PROFIT on ordinary activities before taxation	3	272,773	118,579
TAXATION on ordinary activities	4	56,358	39,805
PROFIT on ordinary activities after taxation		216,415	78,774
Dividends		-	-
RETAINED PROFIT for the financial year		216,415	78,774
RETAINED PROFIT brought forward		1,830,008	1,751,234
RETAINED PROFIT carried forward		2,046,423	1,830,008

The Company has no recognised gains or losses other than the profit for the year.

The profit on ordinary activities before taxation and the retained profit have been calculated on the historical cost basis.

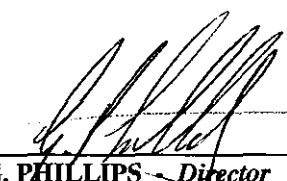
G. & B. INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2000

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	6	209,290		382,867	
Investments	5	720,825		534,982	
		930,115		917,849	
CURRENT ASSETS					
Debtors	7	12,008		15,388	
Cash at Bank		1,337,366		1,076,089	
		1,349,374		1,091,477	
CREDITORS: amounts becoming due and payable within one year	8	183,066		129,318	
NET CURRENT ASSETS		1,166,308		962,159	
TOTAL ASSETS LESS CURRENT LIABILITIES		2,096,423		1,880,008	
CAPITAL AND RESERVES					
Share Capital	9	50,000		50,000	
Profit and Loss Account		2,046,423		1,830,008	
Shareholders' Funds (including non-equity interests)	10	2,096,423		1,880,008	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 3 to 8 were approved by the Board of Directors and signed on its behalf by:-


G. PHILLIPS Director

23 Sept 2000 Date

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, no allowance having been made for changes in the value of money.

(b) Investment Properties

Investment properties are stated at their open market valuation. Changes in the value of investment properties are disclosed as movements on revaluation reserve. Investment properties are not depreciated. The Directors consider that this accounting policy, which represents a departure from the statutory accounting principles, is necessary to provide a true and fair view.

(c) Deferred taxation is provided in respect of the tax effect of all timing differences, to the extent it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

(d) Cash Flow Statement

The company has adopted Financial Reporting Standard No. 1, but is exempt from the requirement to prepare a cash flow statement because it qualifies as a small company.

(e) Income

(a) Dividends received are shown with associated tax credits.

(b) Bank interest is credited when received. Account is taken of interest earned but not received at the balance sheet date.

(c) Rental income is realised in the accounts when due for receipt.

2. INCOME FROM FIXED ASSET INVESTMENTS

	Listed 2000 £	Listed 1999 £
Dividend Income plus Tax Credit	22,561	16,561
Profit/(Loss) on Disposal	141,462	(15,288)
	164,023	1,273

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
<i>Profit on ordinary activities before taxation is stated after charging or crediting the following:-</i>		
Auditors' remuneration and expenses	2,033	1,989
Directors' emoluments - as Directors	-	-

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

4.	TAXATION	2000 £	1999 £
	Corporation Tax at 30% (31%)	54,102	36,493
	Tax Credit on Dividends	2,256	3,312
		56,358	39,805

5.	INVESTMENTS	Listed Securities £	Listed Securities £
	Cost at 1st April 1999	534,982	630,399
	Additions	257,406	60,504
	Disposals	(71,563)	(155,921)
	Cost at 31st March 2000	720,825	534,982

All investments are listed on a recognised investment exchange in Great Britain. The open market value of listed investments as at 31st March 2000 was £1,216,262.

6.	TANGIBLE FIXED ASSETS	Freehold Investment Properties £
	Cost	
	1st April 1999	382,867
	Additions	-
	Disposals	173,577
	At 31st March 2000	209,290

Due to the depressed state of the property market, the Directors consider that there have been no significant changes in the open market value of the freehold investment properties since their purchase and consequently the properties are being carried in the accounts at purchase cost.

7.	DEBTORS	2000 £	1999 £
	Loans receivable	12,008	15,388

7

G. & B. INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000**

8.	CREDITORS: amounts becoming due and payable within one year	2000 £	1999 £
	Corporation Tax	53,189	35,045
	Directors and Members Current Account	127,844	90,799
	Accruals	2,033	3,474
		183,066	129,318

9.	SHARE CAPITAL	2000 £	1999 £
	Authorised:		
	99,000 Ordinary Shares of £1 each	99,000	99,000
	1,000 Deferred Shares of £1 each	1,000	1,000
		100,000	100,000
	Allotted, Called Up & Fully Paid:		
	49,000 Ordinary Shares of £1 each	49,000	49,000
	1,000 Deferred Shares of £1 each	1,000	1,000
		50,000	50,000

Summary of Class Rights:

Deferred Non-voting Shares:

Rights to a dividend out of distributable profits of any accounting period subject to the Directors' absolute discretion.

Rights to repayment of the capital value of the shares in the event of a winding-up but only after all holders of Ordinary Shares have received £200,000 for each share held;

Rights to attend General Meetings of the Company but no rights to speak or vote at those meetings;

Class rights may only be varied with the consent in writing of the holders of three-quarters of this class of shares or by an Extraordinary Resolution passed at a separate general meeting of the holders of the shares of this class.

This class of share is regarded as a non-equity holding on the grounds that holders are not normally entitled to participate or vote in General Meetings of the Company.

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	216,415	78,774
Dividends	-	-
Net addition to shareholders' funds	216,415	78,774
Opening shareholders' funds	1,880,008	1,801,234
Closing shareholders' funds	2,096,423	1,880,008
Equity Interests	2,095,423	1,879,008
Non-Equity Interests	1,000	1,000
	2,096,423	1,880,008

11. DIRECTORS' INTERESTS IN TRANSACTIONS

During the year the Company received rental income totalling £24,000, (1999: £24,000) from Elba (UK) Limited, a company of which both G. Phillips and B. Phillips are Directors.

At 31st March 2000 Elba (UK) Limited owed the Company £12,008 (1999: £15,388), an amount which is repayable upon demand and on which interest of £1,641 has been charged during the year ended on that date.