Registered No:
1357421

G. & B. INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2001



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 2001.

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:-

	2001		2000	
	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*

27/1/02. 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 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.



JACK ROSS & CO.
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29/1/02

G. & B. INVESTMENTS LIMITED

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

		Continuing Operations 2001	2000
		£	£
Profit on Sale of Tangible Asset		-	20,200
Interest Receivable		101,680	66,981
Income from fixed asset investments	2	198,894	164,023
Rental Income		24,000	25,232
		324,574	276,436
Administrative Expenses		5,200	3,663
PROFIT on ordinary activities before taxation	3	319,374	272,773
TAXATION on ordinary activities	4	88,352	56,358
PROFIT on ordinary activities after taxation		231,022	216,415
Dividends		-	-
RETAINED PROFIT for the financial year		231,022	216,415
RETAINED PROFIT brought forward		2,046,423	1,830,008
RETAINED PROFIT carried forward		2,277,445	2,046,423

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 2001

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible Assets	6		209,290		209,290
Investments	5		529,809		720,825
			739,099		930,115
CURRENT ASSETS					
Debtors	7	68,123		12,008	
Cash at Bank		1,729,535		1,337,366	
		1,797,658		1,349,374	
CREDITORS: amounts becoming due and payable within one year	8	209,312		183,066	
NET CURRENT ASSETS			1,588,346		1,166,308
TOTAL ASSETS LESS CURRENT LIABILITIES			2,327,445		2,096,423
CAPITAL AND RESERVES					
Share Capital	9		50,000		50,000
Profit and Loss Account			2,277,445		2,046,423
Shareholders' Funds (including non-equity interests)	10		2,327,445		2,096,423

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*

23-1-2002 Date

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001

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 net of notional 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 2001 £	Listed 2000 £
Dividend Income plus Tax Credit	18,964	22,561
Profit on Disposal	179,930	141,462
	198,894	164,023

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging or crediting the following:-	2001 £	2000 £
Auditors' remuneration and expenses	2,127	2,033
Directors' emoluments - as Directors	-	-

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001

4. TAXATION

	2001 £	2000 £
Corporation Tax at 30% (31%)	88,352	54,102
Tax Credit on Dividends	-	2,256
	88,352	56,358

5. INVESTMENTS

	Listed Securities £	Listed Securities £
Cost at 1st April 2000	720,825	534,982
Additions	-	257,406
Disposals	191,016	(71,563)
Cost at 31st March 2001	529,809	720,825

All investments are listed on a recognised investment exchange in Great Britain. The open market value of listed investments as at 31st March 2001 was £518,601.

6. TANGIBLE FIXED ASSETS

	Freehold Investment Properties £
Cost	
1st April 2000	209,290
Additions	
Disposals	
At 31st March 2001	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

	2001 £	2000 £
Loans receivable	11,033	12,008
Due for Sale of Shares and Dividends	57,090	-
	68,123	12,008

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001

8. CREDITORS: amounts becoming due and *payable within one year*	2001 £	2000 £
Corporation Tax	88,424	53,189
Directors and Members Current Account	118,761	127,844
Accruals	2,127	2,033
	209,312	183,066

9. SHARE CAPITAL	2001 £	2000 £
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.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	231,022	216,415
Dividends	-	-
Net addition to shareholders' funds	231,022	216,415
Opening shareholders' funds	2,096,423	1,880,008
Closing shareholders' funds	2,327,445	2,096,423
Equity Interests	2,326,445	2,095,423
Non-Equity Interests	1,000	1,000
	2,327,445	2,096,423

11. DIRECTORS' INTERESTS IN TRANSACTIONS

During the year the Company received rental income totalling £24,000 (2000: £24,000) from Elba (UK) Limited, a company of which both G. Phillips and B. Phillips are Directors.

At 31st March 2001 Elba (UK) Limited owed the Company £11,033 (2000: £12,008), an amount which is repayable upon demand and on which interest of £Nil has been charged during the year ended on that date.