

Registered No:
1357421

G. & B. INVESTMENTS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2002**

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 2002.

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:-

	2002		2001	
	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;

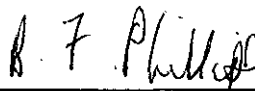
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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 - Secretary
2nd September Date
 2002.

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.

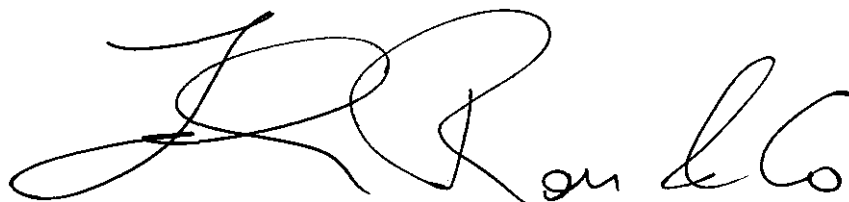
BASIS OF OPINION

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 2002, and of its loss 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

Date: 11/9/02

G. & B. INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002

		<i>Continuing Operations</i> 2002	2001
		£	£
Interest Receivable		75,779	101,680
Income from fixed asset investments	2	(31,896)	198,894
Rental Income		12,201	24,000
		56,084	324,574
Administrative Expenses		8,527	5,200
Amounts written off investments		121,725	-
(LOSS)/PROFIT on ordinary activities before taxation	3	(74,168)	319,374
TAXATION on ordinary activities	4	26,488	88,352
(LOSS)/PROFIT on ordinary activities after taxation		(100,656)	231,022
Dividends		-	-
RETAINED (LOSS)/PROFIT for the financial year		(100,656)	231,022

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

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

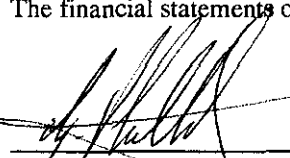
G. & B. INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	6		300,000		209,290
Investments	5		137,863		529,809
			137,863		739,099
CURRENT ASSETS					
Debtors	7	12,089		68,123	
Cash at Bank		1,715,024		1,729,535	
		1,727,113		1,797,658	
CREDITORS: amounts becoming due and payable within one year	8	147,477		209,312	
NET CURRENT ASSETS			1,579,636		1,588,346
TOTAL ASSETS LESS CURRENT LIABILITIES			2,117,499		2,327,445
<u>CAPITAL AND RESERVES</u>					
Share Capital	9	50,000		50,000	
Revaluation Reserve	10	90,710		-	
Profit and Loss Account		2,76,789		2,277,445	
Shareholders' Funds (including non-equity interests)	11		2,117,499		2,327,445

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

2 Sept 02. Date

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

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 2002 £	Listed 2001 £
Dividend Income plus Tax Credit	14,638	18,964
(Loss)/Profit on Disposal	(46,534)	179,930
	(31,896)	198,894

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £	2001 £
<i>Profit on ordinary activities before taxation is stated after charging or crediting the following:-</i>		
Auditors' remuneration and expenses	2,191	2,127
Directors' emoluments - as Directors	-	-

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

4.	TAXATION	2002 £	2001 £
	Corporation Tax at 30%	25,024	88,352
	Tax Credit on Dividends	1,464	-
		<u>26,488</u>	<u>88,352</u>

5.	INVESTMENTS	Listed Securities £
	Cost at 1st April 2001	529,809
	Additions	181,734
	Disposals	(151,955)
	At 31st March 2002	<u>559,588</u>

PROVISION FOR DIMINUTION IN VALUES

	£
At 1st April 2001	-
Charge for the year	121,725
	<u>121,725</u>
Net Book Value At 31st March 2002	<u>437,863</u>
At 31st March 2001	<u>529,809</u>

All investments are listed on a recognised investment exchange in Great Britain. The open market value of listed investments as at 31st March 2002 was £437,863.

6.	TANGIBLE FIXED ASSETS	Freehold Investment Properties £
	Cost on Valuation 1st April 2001	209,290
	Revaluations	90,710
	Disposals	-
	At 31st March 2002	<u>300,000</u>

The building was revalued during the year by Mr. G. Phillips, a director of the company, on the basis of open market value.

G. & B. INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

7.	DEBTORS	2002 £	2001 £
	Loans receivable	11,033	11,033
	Due for Sale of Shares and Dividends	1,056	57,090
		<u>12,089</u>	<u>68,123</u>
8.	CREDITORS: amounts becoming due and payable within one year	2002 £	2001 £
	Corporation Tax	25,025	88,424
	Directors and Members Current Account	118,761	118,761
	Accruals	3,691	2,127
		<u>147,477</u>	<u>209,312</u>
9.	SHARE CAPITAL	2002 £	2001 £
	Authorised:		
	99,000 Ordinary Shares of £1 each	99,000	99,000
	1,000 Deferred Shares of £1 each	1,000	1,000
		<u>100,000</u>	<u>100,000</u>
	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
		<u>50,000</u>	<u>50,000</u>

*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 2002

10. CAPITAL AND RESERVES

	Revaluation Reserve	Profit & Loss Account	Total
At 1st April 2001		2,277,445	2,277,445
Retained profit(loss) for the year		(100,656)	(100,656)
Net surplus arising on revaluation of tangible fixed assets	90,710		90,710
	<u>90,710</u>	<u>2,176,789</u>	<u>2,267,499</u>

Of the total amount of reserves £90,710 is not available for distribution.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
(Loss)/Profit for the financial year	(100,656)	231,022
Dividends	-	-
	<u>(100,656)</u>	<u>231,022</u>
Revaluations during the year	90,710	-
	<u>(9,946)</u>	<u>231,022</u>
Net addition to shareholders' funds	2,277,445	2,096,423
Opening shareholders' funds		
	<u>2,177,499</u>	<u>2,327,445</u>
Equity Interests	2,316,499	2,326,445
Non-Equity Interests	1,000	1,000
	<u>2,317,499</u>	<u>2,327,445</u>

12. DIRECTORS' INTERESTS IN TRANSACTIONS

At 31st March 2002 Elba (UK) Limited, a company of which both G Phillips and B Phillips are Directors, owed £11,033 (2001:£11,033), an amount which is repayable upon demand and on which interest of £Nil has been charged during the year ended on that date.

G. & B. INVESTMENTS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002

	2002	2001
	£	£
INVESTMENT INCOME		
Rent Receivable	12,201	24,000
Bank Interest received - Gross	75,779	101,594
Interest Received (Gross)	-	86
Dividends Received Plus Tax Credit	14,638	18,964
	102,618	144,644
<i>Deduct Expenses:</i>		
Building Repairs	88	-
Legal Fees	1,079	975
Bank Interest and Charges	179	539
Audit and Accountancy	2,191	2,127
Sundry Expenses	25	59
Secretary's Fees	1,500	1,500
Property Marketing Expenses	3,465	-
	94,091	139,444
(Loss)/Profit on Sale of Quoted Investments	(46,534)	179,930
NET PROFIT FOR THE YEAR	47,557	319,374