ISM (MALMESBURY) LIMITED
(NUMBER 2408021)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED
31 DECEMBER 2000

A.D. Robertson F.C.A., A.T.I.I.
Chartered Accountant

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ISM (MALMESBURY) LIMITED
REPORT OF THE DIRECTORS

The directors present their report with the accounts of the company for the year ended 31 December 2000.

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 and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

Select suitable accounting policies and then apply them consistently;
Make judgements and estimates that are reasonable and prudent; and
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 enable them to ensure that the accounts 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.

PRINCIPAL ACTIVITY

The company manages the estate comprising four houses and fifteen flats at The Inner Silk Mill, Malmesbury, Wiltshire. The company collects contributions in advance which are held in trust and divides the annual costs between the fifteen flats and four houses on the basis provided for in the leases and title deeds. No profit is earned from this management.

DIRECTORS AND THEIR INTERESTS

The directors during the year and their beneficial interests in the issued share capital of the company were as follows:

	Shares	
	31.12.2000	31.12.1999
L.G. Faber	1	1
J. Faber	1	1
H.R. Collier	1	1
C.E.A. Parry	1	1
E.V. Humphry	1	1

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

By order of the board

L.G. Faber
Secretary
25 August 2001

ISM (MALMESBURY) LIMITED

REPORT OF THE ACCOUNTANT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF ISM (MALMESBURY) LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2000 set out on pages 3 to 9 and you consider that the company is exempt from an audit under section 249A of the Companies Act 1985.

In accordance with your instructions, I have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to me.

A.D. Robertson
Chartered Accountant

43a Havelock Street
Swindon
Wiltshire SN1 1SD

25 August 2001

ISM (MALMESBURY) LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	2000	1999
INCOME		
Bank interest receivable	44	69
EXPENDITURE		
Administrative expenses	14,658	10,291
NET EXPENDITURE ON ORDINARY ACTIVITIES BEFORE INTEREST	14,614	10,222
Interest payable	2	69
NET EXPENDITURE FOR THE FINANCIAL YEAR	£ 14,616	£ 10,291

The notes on pages 6 to 9 form part of these accounts

ISM (MALMESBURY) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2000

	Notes		2000		1999
FIXED ASSETS					
TANGIBLE ASSET	3		6,996		6,996
CURRENT ASSETS					
Debtors	4	122		122	
Cash at bank		3,311		5,043	
Cash in hand		70		70	
		3,503		5,235	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	8,234		9,966	
NET CURRENT (LIABILITIES)			(4,731)		(4,731)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,265		2,265
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	6		2,250		2,250
NET ASSETS			£ 15		£ 15
CAPITAL AND RESERVES					
Shareholders' funds:					
Called up share capital	8		£ 15		£ 15

The notes on pages 6 to 9 form part of these accounts

ISM (MALMESBURY) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2000
(CONTINUED)

STATEMENTS BY THE DIRECTORS

The directors confirm:

(a) that for the year ended 31 December 2000, the company was entitled to exemption from the requirement to have an audit of its accounts under subsection (1) of section 249A of the Companies Act 1985.

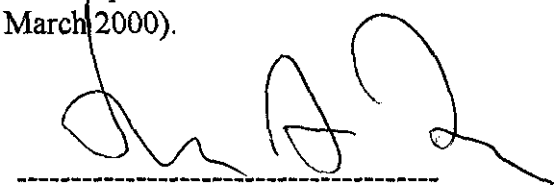
(b) that no notice from shareholders requiring an audit has been deposited with the company under subsection (2) of section 249B of the Companies Act 1985.

(c) that they acknowledge their responsibilities for:-

(i) ensuring that the company keeps proper accounting records which comply with section 221 of the Companies Act 1985, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).



J. Faber
Director
25 August 2001

The notes on pages 6 to 9 form part of these accounts

ISM (MALMESBURY) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) The annual expenditure is allocated to the occupiers in the proportions provided for in the leases and title deeds or as otherwise agreed.

(c) Deferred taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

(d) Freehold reversion

No depreciation is provided in respect of the freehold reversionary interest on the grounds that the buildings are residential and are maintained to a high standard of repair and the residual value is not less than cost.

2. STAFF AND STAFF COSTS

No emoluments were paid to directors and there were no employees during the year and no staff costs were incurred.

3. TANGIBLE FIXED ASSET

	2000	1999
Freehold reversionary interest:		
At cost	£ 6,996	£ 6,996

The freehold reversionary interest is held by the company for the purpose of giving the lessees more control over their dwellings and not for the purpose of its investment potential and, in the opinion of the directors, does not fall to be treated as an investment property requiring annual valuation.

4. DEBTORS

	2000	1999
Amounts due within one year:		
Prepayments	£ 122	£ 122

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
Trade creditors	327	288
Lessees (related parties - note 7)	2,117	1,814
Other lessees	4,926	6,713
Accruals	864	937
Bank loan (unsecured)	-	214
	£ 8,234	£ 9,966

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000	1999
Lessees' deposits (related parties - note 7)	600	600
Other lessees' deposits	1,650	1,650
	£ 2,250	£ 2,250

The lessees deposits are repayable in more than five years being due for repayment only at the end of the term of the leases.

7. AMOUNTS DUE TO RELATED PARTIES

	2000	1999
L.G. Faber	393	52
J.A. Faber	493	195
H.R. Collier	709	783
C.E.A. Parry	805	899
E.V. Humphry	317	485
	£ 2,717	£ 2,414

The related parties are directors and shareholders of the company. The balances are held by the company as trustee. Any interest earned by the company from holding these balances is set off against the expenditure allocated for the year.

8. SHARE CAPITAL

	2000	1999
Authorised:		
100 shares of £1 each	£ 100	£ 100
Allotted, issued and fully paid:		
15 shares of £1 each	£ 15	£ 15

9. DEFERRED TAXATION

	2000	1999
The potential deferred tax asset not provided for is as follows:		
Deficit on loan relationships	£ 173	£ 173
The charge/(credit) for the year for deferred taxation not provided for is as follows:		
Increase in deficit on loan relationships	-	14
Reduction in rate of corporation tax	-	(8)
	£ -	£ 6

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)

11. RELATED PARTY TRANSACTIONS

The directors have been invoiced the following amounts as their share of the maintenance contributions:

	2000 £	1999 £
L.G. Faber	470	387
J.A. Faber	469	388
H.R. Collier	826	673
C.E.A. Parry	966	797
E.V. Humphry	923	762