

Company No: 3040310

BRIGHSTONE GRANGE LIMITED

Report of the Auditor to Brighstone Grange Limited under s.247B of the Companies Act 1985

I have examined the abbreviated accounts set out on pages 1-3, together with the financial statements of Brighstone Grange Limited for the year ended 31 March 1999 prepared under s.226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditor

The directors are responsible for preparing the abbreviated accounts in accordance with s.246 of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts in accordance with s.246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report my opinion to you.

Basis of Opinion

I have carried out the procedures I consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of my work for the purpose of my report did not include examining or dealing with events after the date of my report on the financial statements.

Opinion

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with s.246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 1-3 are properly prepared in accordance with those provisions.



Richard Pennack
Chartered Certified Accountant
Registered Auditor

71 Beaumanor Road, Leicester. LE4 5QD
18 January 2000

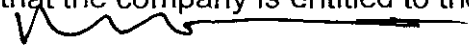


BRIGHSTONE GRANGE LIMITED
ABBREVIATED BALANCE SHEET AS AT 31 MARCH 1999

	Notes		1998
ASSETS EMPLOYED			
TANGIBLE FIXED ASSETS			
Fixtures & Equipment	(2)	146,754	161,235
INTANGIBLE FIXED ASSETS			
Goodwill		29,500	29,500
		<u>176,254</u>	<u>190,735</u>
CURRENT ASSETS			
Stock		3,306	2,912
Trade Debtors		41,766	33,812
Prepayments		3,853	4,216
Cash in Hand		135	108
		<u>49,060</u>	<u>41,048</u>
LIABILITIES FALLING DUE WITHIN ONE YEAR			
		91,180	256,033
		<u> </u>	<u> </u>
NET CURRENT LIABILITIES			
		(42,120)	(214,985)
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		134,134	(24,250)
LIABILITIES FALLING DUE BEYOND ONE YEAR			
	(3)	99,005	102,615
		<u>£35,129</u>	<u>£(126,865)</u>
FINANCED BY:			
SHAREHOLDERS FUNDS			
Share Capital	(4)	2	2
Profit and Loss Account		(296,765)	(248,149)
Loan	(5)	331,892	121,282
		<u>£35,129</u>	<u>£(126,865)</u>

The financial statements were approved by the Board of Directors on 10 January 2000.

In preparing these Abbreviated Financial Statements we have taken advantage of the exemptions conferred by section A of Part III of Schedule 8 made under Sections 246 and 247 of the Companies Act 1985 on the grounds that the company is entitled to those exemptions as a small company.


M A BENNETT (Director)

The notes on pages 2 to 3 form part of these accounts.

BRIGHSTONE GRANGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31 MARCH 1999

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with those items which are considered material in relation to the Company's financial statements.

Depreciation

Depreciation is calculated at the following annual rate so as to write off the cost of fixed assets over their anticipated useful lives using the reducing balance method:

Fixtures, fittings and equipment -- 10%

Group Financial Statements

Group financial statements have not been prepared as the activities of the Company are so dissimilar from those of other Companies within the group that consolidated financial statements would be misleading.

Going Concern

The financial statements have been prepared on a going concern basis which assumes that finance will continue to be made available to enable the Company to continue its operations. The Company has a written undertaking from its Holding Company to support its liabilities.

Turnover

Turnover represents net amounts invoiced to customers in respect of services supplied in the year.

Fixed Assets

Fixed Assets are stated at cost less depreciation.

Stock

Stock is valued at the lower of cost and net realisable value.

Cash Flow Statement

The Company is a small company within the meaning of Financial Reporting Standard No 1 and is not therefore required to present a cash flow statement.

1. TANGIBLE FIXED ASSETS

	Cost	Depreciation	Net Book Value
As at 01.04.98	204,335	43,100	161,235
Additions	1,826	16,307	
As at 31.03.99	206,161	59,407	146,754

BRIGHSTONE GRANGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (Continued)

2. LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

These are bank loans repayable over periods from 10 to 20 years from 1995 and 1996. The interest rate is 3% over the Bank's base rate and the security for the loan is provided by the parent company. The company also has bank cross guarantees with other companies in the group.

3. SHARE CAPITAL

1998

Authorised:-

10,000 shares of £1.00 each

£10,000

£10,000

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Share Capital allotted, called up and fully paid:

2 shares of £1.00 each

£2

£2

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4. LOAN

This is a loan provided by the parent company and is unsecured and interest free. Although repayable on demand the loan was provided as company finance and has therefore been included as shareholders funds in the Balance Sheet.

5. HOLDING COMPANY

Brighstone Grange Limited is a wholly owned subsidiary of XYZ Limited a company registered in Guernsey.