

STONEBRIDGE INVESTMENTS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2000

Finn-Kelcey & Chapman
Chartered Accountants
Ashford House
County Square
Ashford Kent



STONEBRIDGE INVESTMENTS LIMITED

COMPANY INFORMATION

Director	J. M. Elworthy
Secretary	S. W. Elworthy
Company number	3091021
Registered office	Brook House Egerton Ashford Kent
Accountants	Finn-Kelcey & Chapman Ashford House County Square Ashford Kent
Business address	29 Maddox Street London W1R 9LD
Bankers	Barclays Bank plc 9 St. Georges Street Canterbury Kent

STONEBRIDGE INVESTMENTS LIMITED

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STONEBRIDGE INVESTMENTS LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 AUGUST 2000

The director presents his report and financial statements for the period ended 31 August 2000.

Principal activities

The company's principal activity is the acquisition of a small property portfolio and management thereof.

Post balance sheet events

During the year under review the company received a Compulsory Purchase Order in respect of its freehold property. This order has been contested by the company and as yet the position remains uncertain. The result of this order may have a material impact into the company's affairs and future trading position.

Director

The following director has held office since 1 September 1999:

J. M. Elworthy

Director's interests

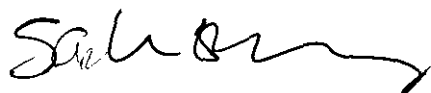
The director's beneficial interest in the shares of the company was as stated below:

	Ordinary shares class 1 of £ 1 each	
	31 August 2000	1 September 1999
J. M. Elworthy	1	1

Mrs S. Elworthy holds one share in the company.

This report 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



S. W. Elworthy
Secretary
27 October 2000

STONEBRIDGE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2000

	Notes	2000 £	1999 £
Turnover		20,153	19,866
Administrative expenses		(5,507)	(7,293)
Operating profit	2	14,646	12,573
Other interest receivable and similar income		1	-
Interest payable and similar charges		(8,957)	(11,996)
Profit on ordinary activities before taxation		5,690	577
Tax on profit on ordinary activities	3	(901)	(119)
Profit on ordinary activities after taxation	9	4,789	458

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

STONEBRIDGE INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 AUGUST 2000

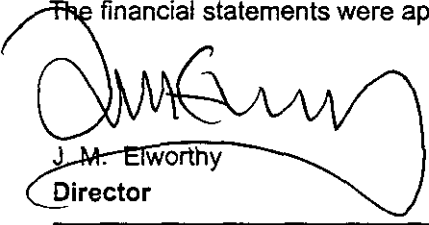
	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	4		193,711		193,711
Current assets					
Debtors	5	1,616		57	
Cash at bank and in hand		10,000		10,000	
		<u>11,616</u>		<u>10,057</u>	
Creditors: amounts falling due within one year	6	<u>(87,644)</u>		<u>(79,464)</u>	
Net current liabilities			<u>(76,028)</u>		<u>(69,407)</u>
Total assets less current liabilities			117,683		124,304
Creditors: amounts falling due after more than one year	7		<u>(98,064)</u>		<u>(109,473)</u>
			<u>19,619</u>		<u>14,831</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		19,617		14,829
Shareholders' funds - equity interests	10		<u>19,619</u>		<u>14,831</u>

In preparing these financial statements:

- The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The director acknowledges his responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These 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 were approved by the Board on 27 October 2000


J. M. Elworthy
Director

STONEBRIDGE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

It is the company's policy to maintain its property in a continued state of sound repair. The director considers that the life of the freehold property and its residual value is such that depreciation is not significant. Accordingly, no depreciation is provided in this respect.

Land and buildings Freehold Nil

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Director's emoluments	1,596	1,320

3 Taxation

	2000	1999
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1999- 21%)	901	119

4 Tangible fixed assets

	Land and buildings £
Cost	
At 1 September 1999 & at 31 August 2000	193,711
Depreciation	
At 1 September 1999 & at 31 August 2000	-
Net book value	
At 31 August 2000	193,711
At 31 August 1999	193,711

STONEBRIDGE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2000

5 Debtors	2000	1999
	£	£
Other debtors	1,616	57
	<u> </u>	<u> </u>
 6 Creditors: amounts falling due within one year	 2000	 1999
	£	£
Bank loans and overdrafts	13,283	8,124
Taxation and social security	2,289	914
Other creditors	72,072	70,426
	<u> </u>	<u> </u>
	87,644	79,464
	<u> </u>	<u> </u>
 7 Creditors: amounts falling due after more than one year	 2000	 1999
	£	£
Bank loans	98,064	109,473
	<u> </u>	<u> </u>
 Analysis of loans		
Not wholly repayable within five years by instalments	(120,299)	(125,198)
Wholly repayable within five years	226,639	239,369
	<u> </u>	<u> </u>
	106,340	114,171
Included in current liabilities	(8,276)	(4,698)
	<u> </u>	<u> </u>
	98,064	109,473
	<u> </u>	<u> </u>
Instalments not due within five years	86,012	95,109
	<u> </u>	<u> </u>
 Loan maturity analysis		
In more than one year but not more than two years	8,000	5,148
In more than two years but not more than five years	27,002	18,544
In more than five years	63,062	85,781
	<u> </u>	<u> </u>

The company's loan is secured with West Bromwich Building Society with a first fixed legal charge with a full title guarantee over the company's freehold property. Interest on the facility is calculated at 1.50% above the Society's variable mortgage base rate or 11.25% fixed to 11th May 2000, whichever ever is the lower. Thereafter reverting to 1.50% above the Society's variable mortgage base rate.

STONEBRIDGE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2000

8 Share capital	2000	1999
	£	£
Authorised		
1,000 Ordinary shares class 1 of £ 1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares class 1 of £ 1 each	2	2
9 Statement of movements on profit and loss account		
		Profit and loss account £
Balance at 1 September 1999		14,828
Retained profit for the period		4,789
Balance at 31 August 2000		19,617
10 Reconciliation of movements in shareholders' funds	2000	1999
	£	£
Profit for the financial period	4,789	458
Opening shareholders' funds	14,831	14,373
Closing shareholders' funds	19,619	14,831