Company Registration No. 3091021 (England and Wales)

STONEBRIDGE INVESTMENTS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2001

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

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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 YEAR ENDED 31 AUGUST 2001

The director presents his report and financial statements for the year ended 31 August 2001.

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 companys affairs and future trading position.

Director
The following director has held office since 1 September 2000:

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 2001	**1 September 2000**
J. M. Elworthy	1	1

Mrs S. Elworthy also 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
18 October 2001

STONEBRIDGE INVESTMENTS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE UNAUDITED ACCOUNTS OF STONEBRIDGE INVESTMENTS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 August 2001, set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions, we 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 us.

Finn-Kelcey & Chapman

Chartered Accountants

18 October 2001

Ashford House
County Square
Ashford Kent

STONEBRIDGE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Turnover		20,171	20,153
Administrative expenses		(5,379)	(5,507)
Operating profit	2	14,792	14,646
Other interest receivable and similar income		-	1
Interest payable and similar charges		(10,781)	(8,957)
Profit on ordinary activities before taxation		4,011	5,690
Tax on profit on ordinary activities	3	(672)	(901)
Profit on ordinary activities after taxation	9	3,339	4,789

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 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	4		191,036		193,711
Current assets					
Debtors	5	-		1,616	
Cash at bank and in hand		10,000		10,000	
		10,000		11,616	
Creditors: amounts falling due within one year	6	(85,317)		(87,644)	
Net current liabilities			(75,317)		(76,028)
Total assets less current liabilities			115,719		117,683
Creditors: amounts falling due after more than one year	7		(92,761)		(98,064)
			22,958		19,619
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		22,956		19,617
Shareholders' funds - equity interests	10		22,958		19,619

STONEBRIDGE INVESTMENTS LIMITED

BALANCE SHEET
AS AT 31 AUGUST 2001

In preparing these financial statements:

(a) 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;

(b) The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2001 in accordance with section 249B(2), and

(c) The director acknowledges his responsibilities for:

  (i) ensuring that the company keeps 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, 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 18 October 2001

J M. Elworthy
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001

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

Land and buildings Freehold	2% reducing balance basis.

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	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	2,675	-
Director's emoluments	1,785	1,596

3 Taxation	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (2000- 20%)	672	901

4 Tangible fixed assets

	Land and buildings £
Cost	
At 1 September 2000 & at 31 August 2001	193,711
Depreciation	
At 1 September 2000	-
Charge for the year	2,675
At 31 August 2001	2,675
Net book value	
At 31 August 2001	191,036
At 31 August 2000	193,711

5 Debtors

	2001 £	2000 £
Other debtors	-	1,616

6 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	9,681	13,283
Taxation and social security	1,749	2,289
Other creditors	73,887	72,072
	85,317	87,644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001

7 Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loans	92,761	98,064
Analysis of loans		
Not wholly repayable within five years by instalments	134,285	141,340
Wholly repayable within five years	(34,000)	(35,000)
	100,285	106,340
Included in current liabilities	(7,524)	(8,276)
	92,761	98,064
Instalments not due within five years	58,761	63,064
Loan maturity analysis		
In more than one year but not more than two years	7,750	8,000
In more than two years but not more than five years	26,250	27,000
In more than five years	58,761	63,064

The companys 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.

8 Share capital	2001 £	2000 £
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 2000	19,617
Retained profit for the year	3,339
Balance at 31 August 2001	22,956

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001

10 Reconciliation of movements in shareholders' funds	2001 £	2000 £
Profit for the financial year	3,339	4,789
Opening shareholders' funds	19,619	14,830
Closing shareholders' funds	22,958	19,619