Company Registration No. 3091021 (England and Wales)

STONEBRIDGE INVESTMENTS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2003

Finn-Kelcey & Chapman
Chartered Accountants
Stourside Place
Station Road
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 Stonebridge Green Egerton Ashford Kent
Accountants	Finn-Kelcey & Chapman Stourside Place Station Road Ashford, Kent
Business address	Brook House Stonebridge Green Egerton Ashford Kent
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 2003

The director presents his report and financial statements for the year ended 31 August 2003.

Principal activities

The company's principal activity is the acquisition of a small property portfolio and management thereof.
During the year the company received a Compulsory Purchase Order in respect of its freehold property, with the results of this order being reflected in the 2003 accounts. It is the directors' intention to re-invest the proceeds from the Compulsory Purchase Order into property once suitable site(s) have been identified.

Director

The following director has held office since 1 September 2002:

J. M. Elworthy

Director's interests

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

	Ordinary shares class 1 of £ 1 each	
	31 August 2003	**1 September 2002**
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
13 April 2004

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 2003, 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

13 April 2004

Stourside Place
Station Road
Ashford, Kent

STONEBRIDGE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2003

	Notes	2003 £	2002 £
Turnover		8,565	20,000
Administrative expenses		201,894	(5,658)
Operating profit	**2**	210,459	14,342
Other interest receivable and similar income		3,484	-
Interest payable and similar charges		(3,502)	(8,311)
Profit on ordinary activities before taxation		210,441	6,031
Tax on profit on ordinary activities	**3**	-	(504)
Profit on ordinary activities after taxation		210,441	5,527
Dividends		(10,000)	-
Retained profit for the year	**9**	200,441	5,527

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 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	4		701		188,415
Current assets					
Debtors	5	14,553		132	
Cash at bank and in hand		246,686		10,373	
		261,239		10,505	
Creditors: amounts falling due within one year	6	(33,012)		(85,439)	
Net current assets/(liabilities)			228,227		(74,934)
Total assets less current liabilities			228,928		113,481
Creditors: amounts falling due after more than one year	7		-		(84,995)
			228,928		28,486
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		228,926		28,484
Shareholders' funds - equity interests	10		228,928		28,486

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 2003 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 13 April 2004

J. M. Elworthy
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

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.
Fixtures, fittings & equipment	25% straight line 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

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	237	2,621
Director's emoluments	2,750	2,000
and after crediting:		
Profit on disposal of tangible assets	(209,744)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

3 Taxation	2003	2002
	£	£
Domestic current year tax		
U.K. corporation tax	-	505
Adjustment for prior years	-	(1)
Current tax charge	-	504
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	210,441	6,031
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2002 : 10.00%)	-	603
Effects of:		
Depreciation	-	262
Other tax adjustments	-	(361)
	-	(99)
Current tax charge	-	504

The gain on the disposal of freehold property is a result of a Compulsory Purchase Order issued by Maidstone Borough Council. It is the directors' intention to re-invest the proceeds from the property disposal back into freehold property in line with the reliefs availble for tax purposes in respect of such forced disposal. As such no tax has been provided in respect of any gain.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 September 2002	193,711	-	193,711
Additions	-	938	938
Disposals	(193,711)	-	(193,711)
At 31 August 2003	-	938	938
Depreciation			
At 1 September 2002	5,296	237	5,533
On disposals	(5,296)	-	(5,296)
At 31 August 2003	-	237	237
Net book value			
At 31 August 2003	-	701	701
At 31 August 2002	188,415	-	188,415

5 Debtors

	2003	2002
	£	£
Other debtors	14,553	132

6 Creditors: amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	-	7,708
Taxation and social security	14,472	1,577
Other creditors	18,540	76,154
	33,012	85,439

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

7 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	-	84,995
Analysis of loans		
Not wholly repayable within five years by instalments	-	92,703
Included in current liabilities	-	(7,708)
	-	84,995
Instalments not due within five years	-	48,095
Loan maturity analysis		
In more than one year but not more than two years	-	8,000
In more than two years but not more than five years	-	28,900
In more than five years	-	48,095

The companys loan which was repaid in the year was secured via 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 was calculated at 1.50% above the Society's variable mortgage base rate.

8 Share capital	2003 £	2002 £
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 2002	28,485
Retained profit for the year	200,441
Balance at 31 August 2003	228,926

10 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the financial year	210,441	5,527
Dividends	(10,000)	-
Net addition to shareholders' funds	200,441	5,527
Opening shareholders' funds	28,486	22,959
Closing shareholders' funds	228,928	28,486

11 Control

The company is controlled by Mr J Elworthy.