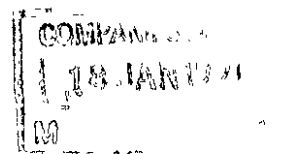


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STONEBRIDGE PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 1990

ROBSON RHODES
Chartered Accountants
Centre City Tower
7 Hill Street
Birmingham
B5 4UU



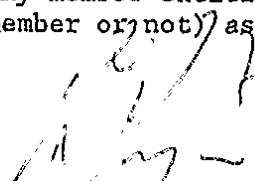
STONEBRIDGE PROPERTIES LIMITED

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the company will be held at its registered office on 14th December 1990 for the following purposes:-

1. To approve the financial statements for the year ended 31st March 1990, together with the reports of the director and auditors thereon.
2. To re-elect Robson Rhodes as auditors.
3. To authorise the director to fix the auditors' remuneration.
4. To transact any other business of an Annual General Meeting.

Any member entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him.


By order of the Sole Director


J.B. FRAMPTON

Secretary

23rd November 1990

STONEBRIDGE PROPERTIES LIMITED

COMPANY INFORMATION

Director	P.J. Frampton
Secretary	J.B. Frampton
Registered office	70/72 Clarendon Street Leamington Spa Warwickshire CV32 4PE
Auditors	Robson Rhodes Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	Midland Bank plc 227 Station Road Balsall Common Coventry CV7 7FE

STONEBRIDGE PROPERTIES LIMITED

REPORT OF THE DIRECTOR

The director presents his annual report and the audited financial statements of the company for the year ended 31st March 1990.

Principal activities

The principal activity of the company is that of property development.

Review of the business

During the current year the company has concentrated its efforts on the development of various properties. Since the end of the year a number of these have been completed and subsequently let. The directors therefore anticipate a return to profitability in the forthcoming year.

Results and dividends

The loss for the year is disclosed on page 6.

The directors do not recommend the payment of a dividend (1989 - fNil).

Director

The director of the company at the date of this report is shown on page 2.

Director's shareholding

The director's interest, as defined by the Companies Act 1985, in the shares of the company were as follows:-

	<u>Ordinary shares of f1 each</u>	
	<u>At 31st March 1990</u>	<u>At 31st March 1989</u>
P.J. Frampton	50	50

Fixed assets

The company's investment properties have been professionally revalued on the basis of open market value for existing use. The revaluation resulted in an increase of asset values of f146,217. A summary of this and other changes in the company's fixed assets are given in note 7 and 8 to the financial statements on page 11.

STONEBRIDGE PROPERTIES LIMITED

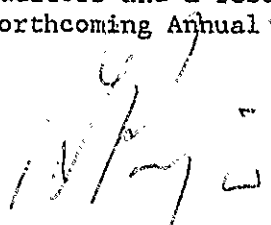
REPORT OF THE DIRECTOR
(Continued)

Close company status

The company is a close company.

Auditors

Robson Rhodes have expressed their willingness to continue in office as auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.


By Order of the Sole Director


J.B. FRAMPTON

Secretary

23rd November 1990

REPORT OF THE AUDITORS
TO THE MEMBERS OF
STONEBRIDGE PROPERTIES LIMITED

We have audited the financial statements on pages 6 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1990, and of its loss and source and application of funds for the year then ended and have been prepared in accordance with the Companies Act 1985.



ROBSON RHODES

Chartered Accountants

Birmingham

23rd November 1990

STONEBRIDGE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 1990

	<u>Note</u>	<u>1990</u> £	<u>1989</u> £
Turnover	1	-	16,000
Cost of sales		<u>-</u>	<u>(9,311)</u>
Gross profit		-	6,689
Administrative expenses		(9,412)	(4,228)
Other operating income	2	<u>9,640</u>	<u>13,092</u>
Operating profit	3	228	15,553
Interest received and similar income		640	464
Interest payable	5	<u>(17,086)</u>	<u>(11,220)</u>
Profit on ordinary activities before taxation		(16,218)	4,797
Taxation	6	<u>(41)</u>	<u>(1,223)</u>
(Loss)/profit for the year	13	<u>£(16,259)</u>	<u>£3,574</u>

BALANCE SHEET - 31ST MARCH 1990

Approved by the Sole Director:

Director

- 7 -

STONEBRIDGE PROPERTIES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
YEAR ENDED 31ST MARCH 1990

	<u>1990</u> £	<u>1989</u> £
Source of funds		
(Loss)/profit on ordinary activities before taxation	(16,218)	4,797
Adjustment for items not involving the movement of funds - Depreciation	<u>200</u>	<u>200</u>
	(16,018)	4,997
Application of funds		
Taxation paid	-	(1,773)
Repayment of long term loan	<u>(6,020)</u>	<u>-</u>
	<u>£22,038</u>	<u>£3,224</u>
Comprising increases/(decreases) in the following:		
Stocks and work in progress	54,361	(4,464)
Debtors	7,702	(1,520)
Creditors	(74,309)	19
Net liquid funds	<u>(9,792)</u>	<u>9,189</u>
	<u>£22,038</u>	<u>£3,224</u>

STONEBRIDGE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 1990

1. Accounting policies

Convention

The financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the director has adopted within that convention are set out below.

(a) Turnover

Turnover represents the proceeds of sale of properties to customers. The company is not registered for value added tax.

(b) Fixed assets

Depreciation is calculated on the cost of fixed assets at the following annual rate:-

Equipment - 20% p.a.

(c) Investment Properties

Investment properties have been included at valuation based on open market value for investment purposes.

(d) Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises purchase price, legal fees and attributable renovation overheads.

(e) Deferred taxation

Provision is made for deferred taxation calculated on the liability method to the extent that there is a reasonable probability of payment in the foreseeable future.

2. Other operating income

	<u>1990</u>	<u>1989</u>
	£	£
Sundry	15	-
Architect fees	175	-
Rent received	6,979	12,875
Expenses recharged	2,280	1,706
Exchange rate gain	<u>191</u>	<u>127</u>
	9,640	14,708
Expenses incurred	<u>-</u>	<u>(1,616)</u>
	<u>£9,640</u>	<u>£13,092</u>

STONEBRIDGE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 1990
 (Continued)

3.	<u>Operating profit</u>	<u>1990</u>	<u>1989</u>
		£	£
	Operating profit is stated after charging:-		
	Depreciation	200	200
	Auditors' remuneration	<u>900</u>	<u>800</u>
4.	<u>Staff costs</u>		
	The director and company secretary were the only employees of the company during the year and they received no remuneration.		
5.	<u>Interest payable</u>	£	£
	Bank overdraft	4,411	370
	Bank loan	<u>12,675</u>	<u>10,850</u>
		<u>£17,086</u>	<u>£11,220</u>
6.	<u>Taxation</u>		
	Corporation tax at 25% based on the results for the year	-	1,200
	Underprovision for previous years	<u>41</u>	<u>23</u>
		<u>£41</u>	<u>£1,223</u>

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STONEBRIDGE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 1990 (Continued)

7. Tangible fixed assets

	<u>Equipment</u> £	
Cost		
At 1st April 1989		
and 31st March 1990		<u>1,000</u>
Depreciation		
At 1st April 1989		600
Charge for the year		<u>200</u>
At 31st March 1990		<u>800</u>
Net book value		
At 31st March 1990		<u>£200</u>
At 31st March 1989		<u>£400</u>
Capital commitments -	<u>1990</u> £	<u>1989</u> £
Authorised and contracted for	<u>£NIL</u>	<u>£NIL</u>
Authorised but not contracted for	<u>£NIL</u>	<u>£NIL</u>

8. Investment properties

Cost at 1st April 1989	103,783	-
Transferred from work in progress	-	103,783
Revaluation	<u>146,217</u>	<u>-</u>
At 31st March 1990	<u>£250,000</u>	<u>£103,783</u>

Investment properties were revalued as at 21st June 1990 by Kingston and Partners, Chartered Surveyors, on the basis of open market value for investment purposes. The surplus arising on revaluation has been incorporated in these financial statements.

9. Stocks and work in progress

	£	£
Properties for resale	<u>£84,048</u>	<u>£29,687</u>

10. Debtors

Other debtors	<u>£7,832</u>	<u>£130</u>
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STONEBRIDGE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 1990
(Continued)

11. Creditors: amounts falling due within one year	<u>1990</u> £	<u>1989</u> £
Bank overdraft (note 16)	43,004	4,714
Bank loan (note 16)	4,684	2,972
Corporation tax	41	6,784
Accruals and deferred income	25,012	2,981
Director's current account	<u>51,244</u>	<u>32,184</u>
	<u>£123,985</u>	<u>£49,635</u>
12. Creditors: amounts falling due after more than one year		
Bank loan (note 16)	<u>£66,066</u>	<u>£72,086</u>
13. <u>Called up share capital</u>		
Authorised, allotted and fully paid:- Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
14. <u>Profit and loss account</u>		
At 1st April 1989	24,681	21,107
(Loss)/profit for the year	<u>(16,259)</u>	<u>3,574</u>
At 31st March 1990	<u>£8,422</u>	<u>£24,681</u>
15. <u>Revaluation reserve</u>		
At 1st April 1989	-	-
Revaluation during the year	<u>146,217</u>	<u>-</u>
At 31st March 1990	<u>£146,217</u>	<u>£NIL</u>
16. <u>Bank loan and overdraft</u>		

The company has created a legal charge over certain property in favour of the Midland Bank plc to secure all amounts owing to the bank.