

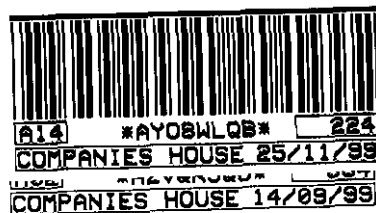
**BRIDGE BUILDINGS LIMITED**

**COMPANY NUMBER: 2943311 (England & Wales)**

**FINANCIAL STATEMENTS**

for the year ended

**31ST DECEMBER 1998**



**W. ROWLANDS FRY & SON**  
Chartered Accountants  
Registered Auditors  
25 Cardiff Road, Luton, Beds, LU1 1PP

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**BRIDGE BUILDINGS LIMITED**

**Company Information**

<b>DIRECTORS</b>	T. Blake J. Swallow-Dahlin
<b>SECRETARY</b>	T. Blake
<b>COMPANY NUMBER</b>	2943311 (England & Wales)
<b>REGISTERED OFFICE</b>	15 Holland Park Gardens London W14 8DZ
<b>BANKERS</b>	National Westminster Bank Plc 250 Regent Street London W1A 4RY

**BRIDGE BUILDINGS LIMITED**  
**STATEMENT OF ACCOUNT**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 1998**

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2	Accountants' Report
3	Profit and Loss Account
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**DIRECTORS' REPORT****FOR THE YEAR ENDED 31ST DECEMBER 1998**

The directors present their report with the accounts of the company for the period ended 31st December 1998.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PRINCIPAL ACTIVITY**

The principal activity is as an investment company.

**DIRECTORS**

The directors in office during the year and their beneficial interests in the company's called up ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	1998	1997
T. Blake	100	100
J.E. Swallow-Dahlin	-	-

Mr T. Blake also had an interest in 498 (99%) ordinary shares in the company's tenant, The London School of English and Foreign Languages Limited.

**DIVIDENDS**

No dividend is recommended for the year under review, leaving £61,057 to be added to reserves.

These financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Standard for Smaller Entities. This report was approved by the board on 20th July 1999 and signed on its behalf.

**Signed on behalf of the  
Board of Directors.**

  
.....

**T. Blake  
DIRECTOR**

**Registered Office:**

15 Holland Park Gardens  
London  
W14 8DZ

**Date: 20th July 1999**

**BRIDGE BUILDINGS LIMITED**

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**ACCOUNTANT'S REPORT**

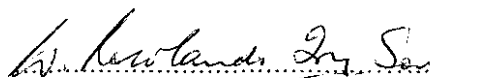
**TO THE SHAREHOLDERS OF BRIDGE BUILDINGS LIMITED**

The account of the company for the financial year ended 31<sup>st</sup> December 1998 are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.

And having regard only to, and on the basis of, the information contained in those accounting records, those accounts have been drawn up in a manner consistent with the provisions of the Act specified in subsection (6) of section 249C, so far as applicable to the company.

Having regard only to, and on the basis of, the information in the accounting records, the company satisfied the requirements of section 249A(4) or (5), for the financial year in question, and did not fall within section 249B(1)(a) to (f) at any time within that financial year.

25 Cardiff Road  
Luton  
Beds  
LU1 1PP

  
W. ROWLANDS FRY & SON  
Reporting Accountant

Date: 20th July 1999

**BRIDGE BUILDINGS LIMITED**

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**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 1998**

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
TURNOVER	2	160,000	140,000
Cost of Sales		-	-
GROSS PROFIT		160,000	140,000
Administrative Expenses		(82,859)	(88,114)
Operating Profit	3	77,141	51,886
Interest Receivable		137	181
PROFIT FOR THE YEAR ON ORDINARY ACTIVITIES BEFORE TAXATION		77,278	52,067
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	(16,221)	(11,325)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		61,057	40,742
RETAINED PROFIT AT 31ST DECEMBER 1997		49,881	9,139
RETAINED PROFIT AT 31ST DECEMBER 1998		£ 110,938	£ 49,881

None of the company's activities were acquired or discontinued during the above financial period.

The company has no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

**BALANCE SHEET****AS AT 31ST DECEMBER 1998**

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	5	1,078,218	1,078,218
<b>CURRENT ASSETS</b>			
Debtors	6	2	220
Cash at Bank and in Hand		1,891	10,190
		<u>1,893</u>	<u>10,412</u>
<b>CREDITORS: Amounts due within one year</b>	7	<u>(91,500)</u>	<u>(91,154)</u>
<b>NET CURRENT ASSETS/LIABILITIES</b>		(89,607)	(80,742)
<b>CREDITORS: Amounts due in more than one year</b>	7	<u>(877,573)</u>	<u>(947,495)</u>
<b>NET ASSETS</b>		<u>£ 111,038</u>	<u>£ 49,981</u>
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	8	100	100
Profit and Loss Account	9	110,938	49,881
		<u>£ 111,038</u>	<u>£ 49,981</u>

For the year ended 31<sup>st</sup> December 1998 the company was entitled to the exemption under sub-section (1) of section 249A of the Companies Act 1985.

No notice from members requiring an audit, has been deposited under Section 249B(2) of the Companies Act 1985,

The directors acknowledge their responsibility for:

- a) ensuring the company keeps accounting records which comply with section 221.
- b) 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 and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.



- c) preparing the accounts in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

**Signed on behalf of the  
Board of Directors.**



.....  
**T. Blake  
DIRECTOR**

**Date: 20th July 1999**

The notes on pages 5 to 7 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1998**

**1. ACCOUNTING POLICIES****Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**Turnover**

Turnover comprises the invoiced value of services provided by the company, net of value added tax.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation.

No depreciation is provided on the freehold investment property.

The company owns one freehold property which is accounted for as an investment property. Accordingly, no depreciation is provided but regular valuation of the property will be made. No valuation has been made since the acquisition of the property on 9th August 1996.

**2. TURNOVER**

The turnover and profit before taxation for the year is attributable to the principal activity of the company which is the letting of its freehold property.

All the turnover is within the U.K.

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Auditors' Remuneration	-	470

**4. TAXATION**

The charge to taxation comprises:-

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Corporation Tax at 21%	16,228	11,325
Prior Year Adjustments	(7)	-
	<u>£ 16,221</u>	<u>£ 11,325</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST DECEMBER 1998**

**5. FIXED ASSETS**

## TANGIBLE FIXED ASSETS

	<u>Freehold Property £</u>
Cost:	
At 31st December 1997	1,078,218
Additions	-
	<hr/>
At 31st December 1998	1,078,218
	<hr/>
Depreciation:	
At 31st December 1997	-
Charge for Period	-
	<hr/>
At 31st December 1998	-
	<hr/>
Net Book Value:	
At 31st December 1997 & 1998	<u>£ 1,078,218</u>

**6. DEBTORS amounts falling due within one year**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Other Debtors	2	220
	<hr/>	<hr/>

**7. CREDITORS: amounts falling due within one year**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Corporation Tax	16,228	11,211
Accruals & Deferred Income	75,272	79,943
	<hr/>	<hr/>
	£ 91,500	£ 91,154
	<hr/>	<hr/>

**CREDITORS: amounts falling due after one year**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Two to five years	330,768	302,631
Six to ten years	546,805	644,864
	<hr/>	<hr/>
	£ 877,573	£ 947,495
	<hr/>	<hr/>

**COMMERCIAL LOAN**

The company has a commercial loan of £800,000 with National Westminster Bank Limited for a term of ten years from 8th August 1996 for the purpose of purchase of freehold property and secured by a legal mortgage over the property and mortgage debenture over all assets.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 1998****8. CALLED UP SHARE CAPITAL**

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Authorised: 100,000 Ordinary shares of £1 each	£ 100,000	£ 100,000
Allotted, called up and fully paid: 100 Ordinary shares of £1 each	£ 100	£ 100

**9. MOVEMENT IN SHAREHOLDER FUNDS**

	<u>SHARE</u> <u>CAPITAL</u>	<u>PROFIT</u> <u>AND LOSS</u> <u>ACCOUNT</u>	<u>TOTAL</u>
Balance At 31st December 1997	100	49,881	49,981
Profit for the year	-	61,057	61,057
Balance At 31st December 1998	£ 100	£ 110,938	£ 111,038

**10. DIRECTORS' INTERESTS IN TRANSACTIONS AND RELATED PARTIES**

In 1996 a loan of £255,000 was made from the London School of English and Foreign Languages Limited, a company controlled by Mr T. Blake who is a Director and a Shareholder of this company.

The loan bears interest at an annual rate of 5% and is unsecured. The loan is repayable upon demand, although it is intended that it will endure for ten years, repayments being made annually as agreed between the companies from time to time.

The loan was advanced to assist in the purchase of a freehold property over which the tenant company had a lease and from which it conducts its business. Rent is payable to Bridge Buildings Limited at annual rents, according to the loan agreement.