

GULF STREAM INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 JUNE 2000

MICHAEL H. SCOTT & COMPANY
Chartered Accountants
107 Kenton Road
Kenton Harrow
Middlesex HA3 0AN



GULF STREAM INVESTMENTS LIMITED

<u>Contents</u>	<u>Page</u>
Company Information	1
Directors' Report	2
Accountants' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
The following page does not form part of the statutory accounts	
Income and Expenditure Account	7

GULF STREAM INVESTMENTS LIMITED

COMPANY INFORMATION

DIRECTORS

Graham Jaffe
Nicholas Brill

SECRETARY

Greystone House Registrars Limited

REGISTERED OFFICE

107 Kenton Road
Kenton Harrow
Middlesex HA3 0AN

COMPANY NUMBER

3768838

ACCOUNTANTS

MICHAEL H. SCOTT & COMPANY
Chartered Accountants
107 Kenton Road
Kenton Harrow
Middlesex HA3 0AN

GULF STREAM INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2000

The Directors present their Report and the Financial Statement for the period ended 30 June 2000.

PRINCIPAL ACTIVITY

The company's principal activity is that of Property Renovation.

FIXED ASSETS

In the opinion of the directors, the value of the company's Freehold Properties are in excess of the book value included in these financial statements.

DIRECTORS

The Directors who served during the period and their beneficial interests in the company's issued ordinary share capital were:

	<u>Number of Shares</u>	
	<u>2000</u>	<u>1999</u>
Graham Jaffe	50	-
Nicholas Brill	50	-

SMALL COMPANY RULES

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard For Smaller Entities.

This report was approved by the board on 14 March 2001 and signed on its behalf.



Graham Jaffe
Director

GULF STREAM INVESTMENTS LIMITED

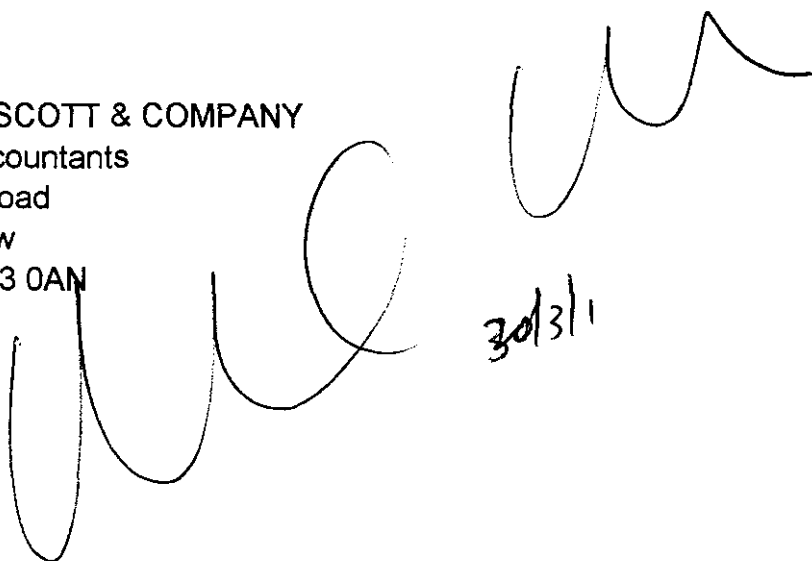
ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF

GULF STREAM INVESTMENTS LIMITED

As described on the Balance Sheet you are responsible for the preparation of the accounts for the period ended 30 June 2000 set out on pages 4 to 6, and you consider that the company is exempt from 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, and we report that they are in accordance therewith.

MICHAEL H. SCOTT & COMPANY
Chartered Accountants
107 Kenton Road
Kenton Harrow
Middlesex HA3 0AN



30/3/1

GULF STREAM INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2000

	<u>Note</u>	<u>2000</u> <u>£</u>
INCOME		63,277
LESS EXPENSES		
Administrative		<u>35,436</u>
OPERATING PROFIT	2	27,841
Interest received (net)		<u>76</u>
PROFIT on ordinary activities before taxation		27,917
TAXATION	3	<u>5,642</u>
PROFIT on ordinary activities after taxation		22,275
RETAINED PROFIT at 30 June 2000		<u>22,275</u>

The notes on page 6 form part of these financial statements.

GULF STREAM INVESTMENTS LIMITED

BALANCE SHEET - 30 JUNE 2000

	Note	£	<u>2000</u> £
FIXED ASSETS			
Freehold Property at Cost			445,766
CURRENT ASSETS			
Balance at Bank		12,276	
Debtors		<u>394</u>	
		12,670	
CREDITORS: amounts falling due within one year			
Directors Loan A/c		4,970	
Taxation		5,642	
Accrued Expenses		5,269	
Loan Accounts	5	<u>420,180</u>	
		436,061	
NET CURRENT LIABILITIES			<u>(423,391)</u> <u>22,375</u>
CAPITAL AND RESERVES			
Called up Share Capital	4		100
Surplus of Expenditure over Income			<u>22,275</u>
SHAREHOLDERS' FUNDS			<u>22,375</u>

The 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 Reporting Standard for Smaller Entities were approved by the board on 14 March 2001 and signed on its behalf.

The Directors consider that the Company is entitled to exemption from the requirements to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the Company's issued share capital have not issued a notice requiring an audit under Section 249B (2) of the Companies Act 1985. The Directors acknowledged their responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the Company as at 30 June 2000 and of its profit for the period then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the Company.


Graham Jaffe - Director

The notes on page 6 form part of these accounts.

GULF STREAM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2000

1. ACCOUNTING POLICIES

(a) 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 as indicated in the Directors' Report, all of which are continuing.

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

(b) Income

Income represents management charges recoverable from the Lessees.

2. OPERATING PROFIT

The operating profit is stated after charging:	£
Accountants remuneration	<u>2,937</u>

3. TAXATION

Corporation Tax based on profits for the period	£
	<u>5,642</u>

4. CALLED UP SHARE CAPITAL

2000

£

Authorised	
100 ordinary shares of £1 each	<u>100</u>

Allotted, issued and fully paid	
100 ordinary shares of £1 each	<u>100</u>

5. LOAN ACCOUNTS

Investec Bank (UK) Limited	332,139
Gulf Stream Properties Ltd	<u>88,041</u>
	<u>420,180</u>

6. MOVEMENTS IN SHAREHOLDERS FUNDS

Profit for the period	22,275
Share Capital	<u>100</u>
Closing Shareholders' Funds	<u>22,375</u>