

Company number:3902034

3902034

LONEBRIDGE UK LIMITED

FINANCIAL STATEMENTS

for the year ended

31 DECEMBER 1999



LONEBRIDGE UK LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1999

The director presents his report and the financial statements of the company for the year ended 31 December 1999.

1. Principal Activity

The company's principal activity is property investment.

2. Results for the Period

The results for the period are shown on page 3.

The director does not recommend the payment of a dividend.

3. Directors and Interests in Shares

The director, J.D.Robertshaw served the company throughout the year.

His interest in the share capital of the company was as follows:

<u>At 31/12/99</u>	<u>At 1/1/99</u>
2	2

4. Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial period 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 accounts, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the accounts 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 the director to ensure that the accounts comply with the Companies Act 1985. The directors 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.

5. Auditors

The auditor, Timothy Dubens will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The Report of the Directors was approved by the Board on 12 September 2000 and signed on its behalf by:



J.D.ROBERTSHAW-DIRECTOR

LONEBRIDGE UK LIMITED

AUDITORS REPORT TO THE SHAREHOLDERS OF LONEBRIDGE UK LIMITED

I have audited the financial statements on pages 3 to 6 which have been prepared in accordance with the accounting policies set out on page 5, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Respective responsibilities of directors and auditors

As described on page 1, the company's director is responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

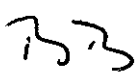
Basis of opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relating to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


T.S.D. Dubens
Chartered Accountant and Registered Auditor

12 September 2000

3 Bank House
High Street, Wrotham
Kent, TN15 7AE

LONEBRIDGE UK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1999

		<u>1999</u>	<u>1998</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
TURNOVER	2	248,000	264,428
Cost of sales		<u>(30,000)</u>	<u>(15,929)</u>
GROSS PROFIT		218,000	248,499
Administration expenses		<u>(48,521)</u>	<u>(3,120)</u>
OPERATING PROFIT	3	169,479	245,379
INTEREST RECEIVABLE		5,526	---
INTEREST AND CHARGES PAYABLE		<u>(202,455)</u>	<u>(480,204)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(27,450)	(234,825)
Taxation		<u>---</u>	<u>---</u>
RETAINED LOSS FOR THE FINANCIAL YEAR		(27,450)	(234,825)
RETAINED LOSSES BROUGHT FORWARD		<u>(260,558)</u>	<u>(25,733)</u>
RETAINED LOSSES CARRIED FORWARD		<u>(£288,008)</u>	<u>(£260,558)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Loss for the financial year after taxation	(27,450)	(234,825)
Unrealised surplus on revaluation of property	<u>3,138,697</u>	<u>---</u>
Total recognised gains relating to the year	<u>£3,111,247</u>	<u>(£234,825)</u>

The annexed notes form part of these financial statements

LONEBRIDGE UK LIMITED
BALANCE SHEET AS AT 31st DECEMBER 1999

	Notes	1999	1998
		£	£
FIXED ASSETS			
Tangible assets	4	5,974,430	2,876,988
CURRENT ASSETS			
Debtors		---	---
Cash at bank		96,775	149,333
		<u>96,775</u>	<u>149,333</u>
CREDITORS: amounts falling due within one year			
Creditors and accruals		57,334	131,197
Directors loan account.	9	17,559	17,559
		<u>74,893</u>	<u>148,756</u>
NET CURRENT ASSETS		<u>21,882</u>	<u>577</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,996,312	2,877,565
CREDITORS: amounts falling due in more than one year			
Bank loan	7	3,000,000	3,000,000
Other loan	5	145,621	(3,138,121)
		<u>3,145,621</u>	<u>(3,138,121)</u>
NET ASSETS (LIABILITIES)		<u>£2,850,691</u>	<u>(£260,556)</u>
CAPITAL AND RESERVES			
Called up capital	6	2	2
Revaluation reserve	8	3,138,697	---
Profit and loss account		<u>(288,008)</u>	<u>(260,558)</u>
SHAREHOLDERS FUNDS		<u>£2,850,691</u>	<u>(£260,556)</u>

The annexed notes form part of these financial statements.

The 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 (effective March 1999).

The financial statements were approved by the Board on 12 September 2000 and signed on its behalf by:



J.D. ROBERTSHAW-DIRECTOR

LONEBRIDGE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

1. Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Turnover.

Turnover represents rent and services receivable.

Depreciation

Depreciation has not been provided on the leasehold property as it is held as an investment and has an unexpired term of over 20 years.

Depreciation is provided at a rate of 8% on cost on the plant and machinery.

Taxation

The charge to taxation is based on the result for the year and takes into account as appropriate, taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

2. Turnover

	<u>£</u>	<u>£</u>
Rents and service charges receivable	248,000	264,428

All turnover arose in the United Kingdom.

3. Operating Profit

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
The profit is stated after charging:		
Director's emoluments	0	0
Depreciation	41,255	0
Auditors remuneration	1,469	1,762

LONEBRIDGE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

4. Tangible fixed assets	Leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 1999	2,876,988	---	2,876,988
Recategorised as plant and machinery	(515,685)	515,685	---
Revaluation	3,138,697	---	3,138,697
At 31 December 1999	<u>5,500,000</u>	<u>515,685</u>	<u>6,015,685</u>
Depreciation			
At 1 January 1999	---	---	---
For year	---	41,255	41,255
At 31 December 1999	<u>---</u>	<u>41,255</u>	<u>41,255</u>
Net book value			
At 31 December 1999	<u>£5,500,000</u>	<u>£474,430</u>	<u>£5,974,430</u>
At 31 December 1998	<u>£2,876,988</u>	<u>---</u>	<u>£2,876,988</u>

During the year, a schedule of plant and machinery included in the acquisition cost of the property was professionally prepared and resulted in the recategorisation of £515,685 as plant and machinery.

The leasehold interest is 125 years from 25 December 1997.

The property is charged to the bank as security for the bank loan.

The leasehold property was revalued at the balance sheet date by J.D.Robertshaw ARICS, a director of the company, on the basis of open market value.

5. Other loan

The loan is interest free, unsecured, and is subordinated to the bank loan.

6. Share Capital

The authorised share capital of the company consists of 1,000 ordinary shares of £1 each.

The issued, allotted and fully paid share capital consists of 2 ordinary shares of £1 each. There were no changes during the year.

7. Bank Loan

The bank loan is secured on the leasehold property, and is repayable at the earlier of June 2003 or the sale of the property. The director has provided a guarantee to the bank for any shortfall of rental income over interest payable on the loan.

LONEBRIDGE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

8. Revaluation reserve

	£
At 1 January 1999	---
Surplus on revaluation of property (note 5)	3,138,697
At 31 December 1999	<u>£3,138,697</u>

9. Related Party Transactions

This company is under the control of J.D.Robertshaw.

J.D.Robertshaw is the sole shareholder of New Brunswick Property Company Limited, which had advanced this company £145,621 at 31 December 1999 (31 December 1998 - £138,121). The loan is interest free and repayable on demand, and it is subordinated to the bank loan.

J.D.Robertshaw has provided a guarantee to the bank in respect of any shortfall of rental income over interest payable.

At 31 December 1999, the company owed J.D.Robertshaw £17,559 (1998 - £17,559). This loan is unsecured, interest free and repayable on demand. It is subordinated to the bank loan.