Registered Number: 3759332

GEORGE (MOUNT STREET) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31st August 2003

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GEORGE (MOUNT STREET) LIMITED

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GEORGE (MOUNT STREET) LIMITED

INDEPENDENT AUDITORS' REPORT TO GEORGE (MOUNT STREET) LIMITED

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of George (Mount Street) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st August 2003.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and 246((6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the Company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those full financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the Company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and 246(6)of the Companies Act 1985 and the abbreviated financial statements have been properly prepared in accordance with that provision.

Slater & Co

7 Royal Parade
Dawes Road
LONDON SW6 7RE
19 May 2004

Chartered Certified Accountants
and Registered Auditors

GEORGE (MOUNT STREET) LIMITED

ABBREVIATED BALANCE SHEET

at 31st August 2003

	Note	£	£	2002 £
FIXED ASSETS				
Tangible Assets	2		3,245,143	3,540,760
CURRENT ASSETS				
Stocks		27,704		30,694
Debtors		94,249		41,619
Cash		1,362		19,951
		123,315		92,264
CREDITORS: Amounts falling due within one year	3	(913,872)		(288,039)
NET CURRENT (LIABILITIES)			(790,557)	(195,775)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,454,586	3,344,985
CREDITORS: Amounts falling due after one year	3		(2,843,883)	(3,349,718)
Deferred Income			(281,654)	(264,279)
			£(670,951)	£(269,012)

Financed by:

CAPITAL AND RESERVES		£	£
Called Up Share Capital	4	100,000	100,000
Share Premium Reserve		884,904	884,904
Profit and Loss Account		(1,655,855)	(1,253,916)
SHAREHOLDERS' FUNDS - All Equity		£(670,951)	£(269,012)

The Financial Statements on pages 2 to 5, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small-sized companies, were approved by the Board on 18 May 2004 and signed on its behalf by:-

M.O.H.L. Birley - Director

The Notes on pages 3 to 5 form part of these Financial Statements.

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

(a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

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.

(b) TURNOVER

Turnover represents subscriptions earned and net sales to members, net of value added tax.

Subscriptions received are credited to the Profit and Loss Account on an accruals basis. The proportion of subscriptions treated as unearned is carried forward at the Balance Sheet date and credited to the Profit and Loss Account in the following year. Subscriptions are not repayable under any circumstances.

(c) STOCK

Stocks have been valued at the lower of cost and net realisable value.

(d) DEFERRED TAXATION

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted.

(e) DEPRECIATION

Depreciation is provided on a straight line basis on all fixed assets at rates calculated to write off the cost over their expected useful lives as follows:-

Leasehold Properties	Period of Leases
Plant and Equipment	10-20% p.a.
Furniture, Fixtures and Fittings	10-20% p.a.

(f) LEASING

Annual rentals under operating leases are charged to the profit and loss account on an accruals basis.

1. ACCOUNTING POLICIES - continued

(g) FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Profit and Loss account.

2. TANGIBLE FIXED ASSETS

	TOTAL £
COST	
At 31st August 2002	3,989,211
Additions	78,726
At 31st August 2003	4,067,937
DEPRECIATION	
At 31st August 2002	448,451
Charge for the year	374,343
At 31st August 2003	822,794
NET BOOK VALUE	
At 31st August 2003	£3,245,143
At 31st August 2002	£3,540,760

3. CREDITORS

Creditors include the following amounts of secured liabilities:-

	£	2002 £
Due within one yar	468,270	-
Due after more than one year	2,404,000	2,800,000
	£2,872,270	£2,800,000

Creditors due more than one year include instalments due after more than five years of £224,000 (2002: £448,000).

4. SHARE CAPITAL

Authorised Allotted, Issued and Fully Paid	£	2002 £
51,000 "A" Ordinary Shares of £1 each	51,000	51,000
26,500 "B" Ordinary Shares of £1 each	26,500	26,500
22,500 "C" Ordinary Shares of £1 each	22,500	22,500
	£100,000	£100,000

All the shares rank pari passu.

5. PARENT UNDERTAKING AND CONTROLLING PARTY

Mark Birley Holdings Limited, a Company incorporated in United Kingdom is the company's parent undertaking and M.O.H.L. Birley who controls 100% of the shares of Mark Birley Holdings Limited is the company's ultimate controlling party. The consolidated accounts of Mark Birley Holdings Limited can be obtained from Companies House.

6. FUNDAMENTAL UNCERTAINTY REGARDING THE GOING CONCERN ASSUMPTION

The accounts have been prepared on the going concern basis. The Company incurred a loss for the year after taxation of £401,939 and at 31st August 2003 its current liabilities exceeded its current assets by £790,557. The Company is reliant upon the support of its shareholders; at present the major shareholder has indicated his willingness to support the Company for at least 12 months from the date of signature of the accounts.