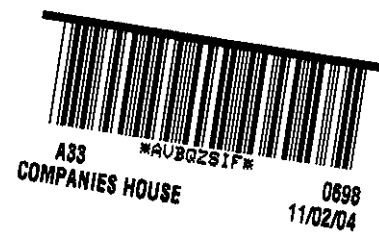


Company Registration No. 949014 (England and Wales)

KIMRON MORTGAGE & FINANCE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003



KIMRON MORTGAGE & FINANCE LIMITED

COMPANY INFORMATION

Directors	B.M. Samuels A. Joseph J.I. Joseph
Secretary	J.I. Joseph
Company number	949014
Registered office	29/30 Fitzroy Square London W1T 6LQ
Accountants	Goodman Jones 29/30 Fitzroy Square London W1T 6LQ
Business address	315 Regents Park Road Finchley London N3 1DP
Bankers	Lloyds Bank plc 69 Old Street London EC1V 9BJ

KIMRON MORTGAGE & FINANCE LIMITED

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KIMRON MORTGAGE & FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2003

The directors present their report and financial statements for the year ended 31 August 2003.

Principal activities and review of the business

The principal activity of the company is mortgage financing.

The company has enjoyed another successful year and the directors look forward to the future with confidence.

Results and dividends

The results for the year are set out on page 2.

The directors recommend payment of an ordinary dividend amounting to £44,000 .

Directors

The following directors have held office since 1 September 2002:

B.M. Samuels

A. Joseph

J.I. Joseph

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 August 2003	1 September 2002
B.M. Samuels	-	-
A. Joseph	-	-
J.I. Joseph	22	22

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

On behalf of the board

J.I. Joseph

Director

Date: 5/2/04

KIMRON MORTGAGE & FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2003

	Notes	2003 £	2002 £
Turnover	2	69,019	74,513
Administrative expenses		(18,842)	(22,486)
Other operating income		21,467	17,112
Operating profit	3	71,644	69,139
Other interest receivable and similar income		1,374	357
Profit on ordinary activities before taxation		73,018	69,496
Tax on profit on ordinary activities	4	(13,877)	(13,396)
Profit on ordinary activities after taxation		59,141	56,100
Dividends	5	(44,000)	(44,000)
Retained profit for the year	10	15,141	12,100

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

KIMRON MORTGAGE & FINANCE LIMITED

BALANCE SHEET AS AT 31 AUGUST 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6		483		568
Current assets					
Debtors	7	388,564		461,125	
Cash at bank and in hand		158,443		74,367	
		547,007		535,492	
Creditors: amounts falling due within one year	8	(374,858)		(378,569)	
Net current assets			172,149		156,923
Total assets less current liabilities			172,632		157,491
Capital and reserves					
Called up share capital	9		22		22
Profit and loss account	10		172,610		157,469
Shareholders' funds - equity interests	11		172,632		157,491

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) 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 or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 3/2/04

J.I. Joseph
Director

A. Joseph
Director

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents the total interest received from mortgage financing during the year.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

Operating profit is stated after charging:

	2003	2002
	£	£
Depreciation of tangible assets	85	100
Loss on disposal of tangible assets	-	3,228
	<hr/>	<hr/>

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

4	Taxation	2003	2002
		£	£
	Domestic current year tax		
	U.K. corporation tax	13,877	13,396
	Current tax charge	<u>13,877</u>	<u>13,396</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	73,018	69,496
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 % (2002: 20.00 %)	<u>13,873</u>	<u>13,899</u>
	Effects of:		
	Non deductible expenses	-	30
	Depreciation	16	2
	Capital allowances	(12)	(912)
	Chargeable disposals	-	646
	Other tax adjustments	-	(269)
		<u>4</u>	<u>(503)</u>
	Current tax charge	<u>13,877</u>	<u>13,396</u>
5	Dividends	2003	2002
		£	£
	Ordinary final proposed	<u>44,000</u>	<u>44,000</u>

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

6 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 September 2002 & at 31 August 2003	1,510
Depreciation	
At 1 September 2002	942
Charge for the year	85
At 31 August 2003	1,027
Net book value	
At 31 August 2003	483
At 31 August 2002	568

7 Debtors

	2003 £	2002 £
Trade debtors	388,564	453,072
Prepayments and accrued income	-	8,053
	388,564	461,125

8 Creditors: amounts falling due within one year

	2003 £	2002 £
Corporation tax	13,889	13,408
Other taxes and social security costs	-	11,000
Directors' current accounts	304,112	307,953
Accruals and deferred income	12,857	13,208
Proposed dividend	44,000	33,000
	374,858	378,569

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

9 Share capital	2003	2002
	£	£
Authorised		
100 Ordinary shares of £ 1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
22 Ordinary shares of £ 1 each	22	22
	<hr/>	<hr/>
10 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 September 2002		157,469
Retained profit for the year		15,141
		<hr/>
Balance at 31 August 2003		172,610
		<hr/>
11 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit for the financial year	59,141	56,100
Dividends	(44,000)	(44,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	15,141	12,100
Opening shareholders' funds	157,491	145,391
	<hr/>	<hr/>
Closing shareholders' funds	172,632	157,491
	<hr/>	<hr/>
12 Employees		
Number of employees		
There were no employees during the year apart from the directors.		
Employment costs	2003	2002
	£	£
Social security costs	403	769
	<hr/>	<hr/>
13 Control		
The company is controlled by J. I. Joseph.		

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

14 Related party transactions

A management charge of £10,054 is payable to B. M. Samuels Finance Group plc, a company which B. M. Samuels Esq, a director of Kimron Mortgage & Finance Ltd, has an interest.