

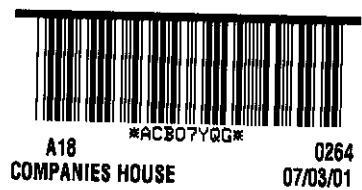
KIMRON MORTGAGE & FINANCE LIMITED

Company No: 949014

FINANCIAL STATEMENTS

- for the year ended -

31ST AUGUST 2000



WEG / 3491

KIMRON MORTGAGE & FINANCE LIMITED

DIRECTORS

B.M. Samuels
A. Joseph
J.I. Joseph

SECRETARY

J.I. Joseph

BUSINESS ADDRESS

315 Regents Park Road
Finchley
London N3 1DP

REGISTERED OFFICE

29/30 Fitzroy Square
London
W1T 6LQ

PRINCIPAL BANKERS

Lloyds Bank plc
69 Old Street
London
EC1V 9BJ

KIMRON MORTGAGE & FINANCE LIMITED

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KIMRON MORTGAGE & FINANCE LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 August 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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.

DIVIDENDS

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

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of shares</u>	<u>Number of shares</u>	
		<u>2000</u>	<u>1999</u>
B.M. Samuels	Ordinary shares	-	-
A. Joseph	Ordinary shares	-	-
J.I. Joseph	Ordinary shares	22	22

The directors regret to report the death of Mr. A. Joseph on 23 February 2000.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

By Order of the Board

Date: 1/3/2001

Director



KIMRON MORTGAGE & FINANCE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 2000**

	Notes	2000 £	1999 £
TURNOVER		70,052	86,574
Administrative expenses		(16,197)	(30,036)
		53,855	56,538
Other operating income		22,176	21,735
OPERATING PROFIT	2	76,031	78,273
Interest receivable	3	673	664
Interest payable	4	(186)	(251)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		76,518	78,686
Tax on profit on ordinary activities	6	(15,264)	(16,485)
PROFIT FOR THE FINANCIAL YEAR		61,254	62,201
Dividends including non-equity interests	7	(44,000)	(44,000)
RETAINED PROFIT FOR THE YEAR	14	17,254	18,201

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

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

The notes on pages 4 to 8 form part of these financial statements.

KIMRON MORTGAGE & FINANCE LIMITED

BALANCE SHEET AT 31ST AUGUST 2000

	Notes	£	2000	£	1999	£
FIXED ASSETS						
Tangible assets	8			9,257		12,223
CURRENT ASSETS						
Debtors	9	493,985			444,889	
Cash at bank and in hand		16,676			61,462	
			510,661			506,351
CREDITORS: Amounts falling due within one year	10	(389,762)			(403,267)	
NET CURRENT ASSETS				120,899		103,084
TOTAL ASSETS LESS CURRENT LIABILITIES				130,156		115,307
CREDITORS: Amounts falling due after more than one year	11			-		(2,405)
				130,156		112,902
CAPITAL AND RESERVES						
Called up share capital	13			22		22
Profit and loss account	14			130,134		112,880
SHAREHOLDERS FUNDS	15			130,156		112,902

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- The financial statements give a true and fair view of the state of affairs of the company as at 31 August 2000 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

The financial statements were approved
by the board on 1-3-2001
and signed on its behalf by

.....)
.....) Directors
.....)

The notes on pages 4 to 8 form part of these financial statements.

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2000

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

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

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	15% Reducing balance
Motor vehicles	15% & 25% Reducing balance

1.4 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

2. OPERATING PROFIT

	2000	1999
	£	£
The operating profit is stated after charging:		
Depreciation	2,963	3,928

3. INTEREST RECEIVABLE

	2000	1999
	£	£
Bank and other interest receivable	673	664

4. INTEREST PAYABLE

	2000	1999
	£	£
On bank loans and overdrafts	186	251

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2000

5. DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Staff costs:		
Wages and salaries	2,563	5,387
Social security costs	757	-
	<u>3,320</u>	<u>5,387</u>

There were no employees during the year apart from the directors.

Directors' emoluments:

	£	£
Remuneration for management services	2,500	5,000

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
The taxation charge comprises:		
U.K. corporation tax at 20% (1999 - 20%)	<u>15,264</u>	<u>16,485</u>

7. DIVIDENDS

	2000	1999
	£	£
Non-equity interests		
Preference:-		
Equity interests		
Ordinary:-		
Final dividend proposed	<u>44,000</u>	<u>44,000</u>

8. TANGIBLE ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
<u>Cost</u>			
At 1 September 1999 and at 31 August 2000	<u>1,510</u>	<u>15,060</u>	<u>16,570</u>
<u>Depreciation</u>			
At 1 September 1999	585	3,765	4,350
Charge for year	139	2,824	2,963
At 31 August 2000	<u>724</u>	<u>6,589</u>	<u>7,313</u>
<u>Net book value at 31 August 2000</u>	<u>786</u>	<u>8,471</u>	<u>9,257</u>
<u>Net book value at 31 August 1999</u>	<u>925</u>	<u>11,295</u>	<u>12,220</u>

KIMRON MORTGAGE & FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2000****9. DEBTORS**

	2000 £	1999 £
Trade debtors	483,902	429,689
Prepayments and accrued income	10,083	15,200
	<u>493,985</u>	<u>444,889</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts	364	-
Proposed dividend	38,500	44,000
Corporation tax	15,255	16,485
Other taxes and social security costs	5,500	11,000
Directors' current accounts	317,453	317,453
Accruals and deferred income	12,690	14,329
	<u>389,762</u>	<u>403,267</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Loans	-	2,405
	<u>-</u>	<u>2,405</u>

The loan represents the balance of £4,000 borrowed on 2 October 1998. The loan is for a period of 24 months and is at the fixed rate of 9.96%.

12. BORROWINGS

	2000 £	1999 £
<u>The company's borrowings are repayable as follows:</u>		
In one year, or less or on demand	364	-
Between one and two years	-	364
Between two and five years	-	2,041
	<u>364</u>	<u>2,405</u>

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2000

13. SHARE CAPITAL

	2000	1999
	£	£
<u>Authorised</u>		
Equity interests:		
100 Ordinary shares of £1 each	100	100
<u>Allotted, called up and fully paid</u>		
Equity interests:		
22 Ordinary shares of £1 each	22	22

14. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Retained profits at 1 September 1999	112,880	94,679
Retained profit for the year	17,254	18,201
Retained profits at 31 August 2000	130,134	112,880

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	61,254	62,201
Dividends	(44,000)	(44,000)
	17,254	18,201
Shareholders' funds at 1 September 1999	112,902	94,701
Shareholders' funds at 31 August 2000	130,156	112,902
Represented by:-		
Equity interests	130,156	112,902
	130,156	112,902

16. CONTINGENT LIABILITIES

The company has agreed to indemnify any other companies managed by B. M. Samuels Finance Group PLC against any loss of capital, limited to the sum of £1,000 for any one claim.

17. CONTROL

The Company is controlled by J.I. Joseph.

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2000

18. RELATED PARTY DISCLOSURES

A management charge of £10,579 is payable to B.M. Samuels Finance Group plc, a company in which B.M. Samuels Esq, a director of Kimron Mortgage & Finance Ltd, has an interest.