

KIMRON MORTGAGE & FINANCE LIMITED

Company No: 949014

FINANCIAL STATEMENTS

- for the year ended -

31ST AUGUST 1999



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KIMRON MORTGAGE & FINANCE LIMITED

DIRECTORS

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

SECRETARY

J.I. Joseph

BUSINESS ADDRESS

315 Regents Park Road
Finchley
London N3 1DP

REGISTERED OFFICE

29/30 Fitzroy Square
London
W1P 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 1999.

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.

YEAR 2000 ISSUE

A review of operating systems has been performed to ensure compliance with the year 2000. The directors are of the opinion that the company's systems are year 2000 compliant.

DIVIDENDS

The directors have paid interim dividend amounting to £44,000, and they do not recommend payment of a final dividend.

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>1999</u>	<u>1998</u>
B.M. Samuels	Ordinary shares	-	-
A. Joseph	Ordinary shares	-	-
J.I. Joseph	Ordinary shares	22	22
A. Joseph	Ordinary shares	-	-

CLOSE COMPANY

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

Date: 6-1-2000

By Order of the Board

Director

KIMRON MORTGAGE & FINANCE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1999**

	Notes	1999 £	1998 £
TURNOVER		86,574	75,351
Administrative expenses		(30,036)	(29,815)
		<hr/> 56,538	<hr/> 45,536
Other operating income		21,735	22,374
OPERATING PROFIT	2	<hr/> 78,273	<hr/> 67,910
Interest receivable	3	664	482
Interest payable	4	(251)	(1)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		78,686	68,391
Tax on profit on ordinary activities	6	(16,485)	(14,431)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		62,201	53,960
Dividends including non-equity interests	7	(44,000)	(44,000)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR	14	18,201	9,960
		<hr/> <hr/>	<hr/> <hr/>

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 1999**

	Notes	£	1999 £	£	1998 £
FIXED ASSETS					
Tangible assets	8		12,223		6,965
CURRENT ASSETS					
Debtors	9	444,889		453,674	
Cash at bank and in hand		61,462		11,229	
		506,351		464,903	
CREDITORS: Amounts falling due within one year	10	(403,267)		(377,167)	
NET CURRENT ASSETS			103,084		87,736
TOTAL ASSETS LESS CURRENT LIABILITIES			115,307		94,701
CREDITORS: Amounts falling due after more than one year	11		(2,405)		-
			112,902		94,701
CAPITAL AND RESERVES					
Called up share capital	13		22		22
Profit and loss account	14		112,880		94,679
SHAREHOLDERS FUNDS	15		112,902		94,701

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 1999 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 6/11/2000
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 199

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

	1999 £	1998 £
The operating profit is stated after charging:		
Depreciation	3,928	2,317

3. INTEREST RECEIVABLE

	1999 £	1998 £
Bank and other interest receivable	664	482

4. INTEREST PAYABLE

	1999 £	1998 £
On bank loans and overdrafts	251	1

KIMRON MORTGAGE & FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1999****5. DIRECTORS AND EMPLOYEES**

	1999 £	1998 £
Staff costs:		
Wages and salaries	5,387	5,000
Social security costs	-	150
	<u>5,387</u>	<u>5,150</u>

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

Directors' emoluments:

	£	£
Remuneration for management services	<u>5,000</u>	<u>5,000</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
The taxation charge comprises:		
U.K. corporation tax at 21% (1998 - 21%)	16,485	14,431
	<u>16,485</u>	<u>14,431</u>

7. DIVIDENDS

	1999 £	1998 £
Non-equity interests		
Preference:-		
Interim dividend paid 30 June 1999	44,000	-
Equity interests		
Ordinary:-		
Final dividend proposed	<u>-</u>	<u>44,000</u>

KIMRON MORTGAGE & FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1999****8. TANGIBLE ASSETS**

	Fixtures and fittings £	Motor vehicles £	Total £
<u>Cost</u>			
At 1 September 1998	452	11,995	12,447
Additions	1,059	15,060	16,119
Disposals	-	(11,995)	(11,995)
At 31 August 1999	1,511	15,060	16,571
<u>Depreciation</u>			
At 1 September 1998	421	5,060	5,481
Charge for year	163	3,765	3,928
On disposals	-	(5,061)	(5,061)
At 31 August 1999	584	3,764	4,348
<u>Net book value at 31 August 1999</u>	927	11,296	12,223
<u>Net book value at 31 August 1998</u>	31	6,935	6,966

9. DEBTORS

	1999 £	1998 £
Trade debtors	429,689	435,184
Prepayments and accrued income	15,200	18,490
	<u>444,889</u>	<u>453,674</u>

**10. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	1999 £	1998 £
Bank loans and overdrafts	-	2,971
Proposed dividend	44,000	44,000
Corporation tax	16,485	3,431
Other taxes and social security costs	11,000	11,055
Directors' current accounts	317,453	303,703
Accruals and deferred income	14,329	12,007
	<u>403,267</u>	<u>377,167</u>

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1999

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

	1999 £	1998 £
Loans	2,405	-
	<u>2,405</u>	<u>-</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

	1999 £	1998 £
<u>The company's borrowings are repayable as follows:</u>		
In one year, or less or on demand	-	2,971
	<u>-</u>	<u>2,971</u>

13. SHARE CAPITAL

	1999 £	1998 £
<u>Authorised</u>		
Equity interests:		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
22 Ordinary shares of £1 each	22	22
	<u>22</u>	<u>22</u>

14. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
Retained profits at 1 September 1998	94,679	84,719
Retained profit for the year	18,201	9,960
Retained profits at 31 August 1999	<u>112,880</u>	<u>94,679</u>

KIMRON MORTGAGE & FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1999

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Profit for the financial year	62,201	53,960
Dividends	(44,000)	(44,000)
	<hr/>	<hr/>
Shareholders' funds at 1 September 1998	18,201	9,960
	94,701	84,741
	<hr/>	<hr/>
Shareholders' funds at 31 August 1999	112,902	94,701
	<hr/>	<hr/>
Represented by:-		
Equity interests	112,902	94,701
	<hr/>	<hr/>
	112,902	94,701
	<hr/>	<hr/>

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.

18. RELATED PARTY DISCLOSURES

A management charge of £12,338 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.