

Monosite Limited
Directors' Report and Financial Statements
for the year ended 31 December 1999

Gibbons & Mannington
 Chartered Accountants
 6 Lion Street
 Rye
 East Sussex
 TN31 7LB



Monosite Limited

Company Information

| | |
|-------------------|--|
| Directors | Fleur Pelly Cecile Pelly |
| Secretary | Miss C Pelly |
| Company Number | 00999937 |
| Registered Office | West Auldhame Station Road Sunningdale Berks, SL5 0QR |
| Business Address | West Auldhame Station Road Sunningdale Berks, SL5 0QR |
| Bankers | Lloyds Bank plc 84 High Street Rye East Sussex |
| Solicitors | William Dawes & Co Watchbell Chambers Watchbell Street Rye East Sussex |

Monosite Limited

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Monosite Limited

**Directors' Report
for the year ended 31 December 1999**

The directors present their report and the financial statements for the year ended 31 December 1999.

Principal Activity

The principal activity of the company during the year was that of property letting.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

| | Ordinary shares | |
|--------------|-----------------|------|
| | 1999 | 1998 |
| Fleur Pelly | 59 | 59 |
| Cecile Pelly | 2 | 2 |

Directors' Responsibilities

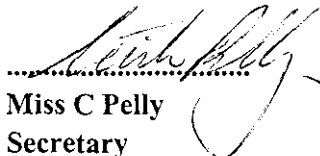
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 them to ensure that the financial statements comply with the Companies Act 1985. They 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 12/1/00 and signed on its behalf by


Miss C Pelly
Secretary

Monosite Limited

**Profit and Loss Account
for the year ended 31 December 1999**

| | | 1999 | 1998 |
|--|----------|---------|---------|
| | Notes | £ | £ |
| Turnover | 2 | 18,539 | 21,233 |
| Cost of sales | | (1,516) | (2,532) |
| Gross profit | | 17,023 | 18,701 |
| Administrative expenses | | (7,411) | (7,613) |
| Operating profit | 3 | 9,612 | 11,088 |
| Investment income | 4 | 236 | 84 |
| Interest receivable and similar income | | 721 | 493 |
| Profit on ordinary activities before taxation | | 10,569 | 11,665 |
| Tax on profit on ordinary activities | 6 | (1,978) | (2,325) |
| Profit on ordinary activities after taxation | | 8,591 | 9,340 |
| Dividends | | (2,040) | - |
| Retained profit for the year | | 6,551 | 9,340 |
| Retained profit brought forward | | 164,775 | 155,435 |
| Retained profit carried forward | | 171,326 | 164,775 |

The notes on pages 5 to 9 form an integral part of these financial statements.

Monosite Limited

**Balance Sheet
as at 31 December 1999**

| | Notes | 1999 | | 1998 | |
|--|-------|----------------|-----------------------|----------------|-----------------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible assets | 7 | | 81,237 | | 145,177 |
| Investments | 8 | | 2,071 | | 2,095 |
| | | | <u>83,308</u> | | <u>147,272</u> |
| Current Assets | | | | | |
| Debtors | 9 | 1,647 | | 823 | |
| Cash at bank and in hand | | <u>99,259</u> | | <u>25,236</u> | |
| | | 100,906 | | 26,059 | |
| Creditors: amounts falling due within one year | 10 | <u>(9,118)</u> | | <u>(4,762)</u> | |
| Net Current Assets | | | <u>91,788</u> | | <u>21,297</u> |
| Total Assets Less Current Liabilities | | | 175,096 | | 168,569 |
| Creditors: amounts falling due after more than one year | 11 | | <u>(3,692)</u> | | <u>(3,692)</u> |
| Net Assets | | | <u><u>171,404</u></u> | | <u><u>164,877</u></u> |
| Capital and Reserves | | | | | |
| Called up share capital | 12 | | 102 | | 102 |
| Revaluation reserve | 13 | | (24) | | - |
| Profit and loss account | 13 | | <u>171,326</u> | | <u>164,775</u> |
| Shareholders' Funds | | | <u><u>171,404</u></u> | | <u><u>164,877</u></u> |

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 9 form an integral part of these financial statements.

Monosite Limited

Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 1999**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 1999 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

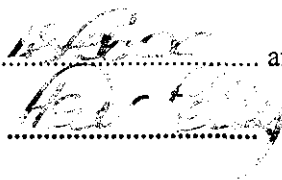
(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The financial statements approved by the Board on and signed on its behalf by


.....
Cecile Pelly

Director


.....

Director

The notes on pages 5 to 9 form an integral part of these financial statements.

Monosite Limited

Notes to the Financial Statements for the year ended 31 December 1999

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

| | | |
|-------------------------------------|---|----------------------|
| Furnishings | - | 15% reducing balance |
| Fixtures, fittings and equipment | - | 15% reducing balance |

1.4. Investments

Fixed asset investments are stated at issue value at the date of free issue as adjusted for subsequent reorganisation in June 1999.

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

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

3. Operating profit

| | 1999 | 1998 |
|--|-------------------|-------------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 126 | 563 |
| Loss on disposal of tangible fixed assets | 292 | - |
| | <u> </u> | <u> </u> |

4. Income from investments

| | 1999 | 1998 |
|-------------------------|------------|-----------|
| | £ | £ |
| Income from investments | <u>236</u> | <u>84</u> |

Monosite Limited

**Notes to the Financial Statements
for the year ended 31 December 1999**

..... continued

5. Directors' emoluments

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

| | 1999 | 1998 |
|---------------------------------|--------------|--------------|
| | £ | £ |
| Remuneration and other benefits | <u>3,692</u> | <u>3,620</u> |

6. Taxation

| | 1999 | 1998 |
|--|--------------|--------------|
| | £ | £ |
| UK current year taxation | | |
| UK Corporation Tax | 1,972 | 2,308 |
| Tax credits on franked investment income | <u>6</u> | <u>17</u> |
| | <u>1,978</u> | <u>2,325</u> |

Monosite Limited

**Notes to the Financial Statements
for the year ended 31 December 1999**

..... continued

7. Tangible fixed assets

| | Land and buildings freehold | Furnishings | Fixtures, fittings equipment | Total |
|-------------------------|-----------------------------------|--------------|------------------------------------|----------------|
| | £ | £ | £ | £ |
| Cost/revaluation | | | | |
| At 1 January 1999 | 141,991 | 3,847 | 564 | 146,402 |
| Disposals | (61,465) | (3,252) | - | (64,717) |
| At 31 December 1999 | <u>80,526</u> | <u>595</u> | <u>564</u> | <u>81,685</u> |
| Depreciation | | | | |
| At 1 January 1999 | - | 992 | 233 | 1,225 |
| On disposals | - | (903) | - | (903) |
| Charge for the year | - | 76 | 50 | 126 |
| At 31 December 1999 | <u>-</u> | <u>165</u> | <u>283</u> | <u>448</u> |
| Net book values | | | | |
| At 31 December 1999 | <u>80,526</u> | <u>430</u> | <u>281</u> | <u>81,237</u> |
| At 31 December 1998 | <u>141,991</u> | <u>2,855</u> | <u>331</u> | <u>145,177</u> |

| Analysis of the costs of the freehold properties: | 1999 | 1998 |
|---|---------------|----------------|
| Highland House, Headcorn cost 1973 | 23,664 | 23,664 |
| 7 Landgate, Rye cost 1981 | 31,599 | 31,599 |
| 12 Market Road, Rye cost 1995 | 25,263 | 25,263 |
| 54 Longford Place, Manchester cost 1997 (sold 1999) | - | 61,465 |
| | <u>80,526</u> | <u>141,991</u> |

The properties were professionally valued by Colin H. Stutley F.R.I.C.S. as follows:

| | 10.12.99 | 31.12.91 |
|--------------------------|----------|----------|
| Highland House, Headcorn | 90,000 | 82,000 |
| 7 Landgate, Rye | | 40,000 |
| 12 Market Road, Rye | 30,000 | - |

Monosite Limited

**Notes to the Financial Statements
for the year ended 31 December 1999**

..... continued

8. Fixed Asset Investments

| | Listed Investments | Total |
|---------------------|-------------------------------|--------------|
| | £ | £ |
| Issue value | | |
| At 1 January 1999 | 2,095 | 2,095 |
| Revaluations | (24) | (24) |
| At 31 December 1999 | <u>2,071</u> | <u>2,071</u> |
| Issue values | | |
| At 31 December 1999 | <u>2,071</u> | <u>2,071</u> |
| At 31 December 1998 | <u>2,095</u> | <u>2,095</u> |

The market value of the above investment was £1,362 on 2 February 2000.

9. Debtors

| | 1999 | 1998 |
|--------------------------------|--------------|-------------|
| | £ | £ |
| Trade debtors | 791 | 350 |
| Prepayments and accrued income | 856 | 473 |
| | <u>1,647</u> | <u>823</u> |

10. Creditors: amounts falling due within one year

| | 1999 | 1998 |
|-------------------|--------------|--------------|
| | £ | £ |
| Corporation tax | 1,972 | 2,308 |
| Other creditors | 5,106 | 2,454 |
| Proposed dividend | 2,040 | - |
| | <u>9,118</u> | <u>4,762</u> |

Monosite Limited

Notes to the Financial Statements for the year ended 31 December 1999

..... continued

| | | | | |
|-----|---|---------------------|-------------------------|----------------|
| 11. | Creditors: amounts falling due after more than one year | 1999 £ | 1998 £ | |
| | Directors loan account | <u>3,692</u> | <u>3,692</u> | |
| 12. | Share capital | 1999 £ | 1998 £ | |
| | Authorised | | | |
| | 500 Ordinary shares of £1 each | <u>500</u> | <u>500</u> | |
| | Allotted, called up and fully paid | | | |
| | 102 Ordinary shares of £1 each | <u>102</u> | <u>102</u> | |
| 13. | Reserves | | | |
| | | Revaluation reserve | Profit and loss account | Total |
| | | £ | £ | £ |
| | At 1 January 1999 | - | 164,775 | 164,775 |
| | Retained profit for the year | | 6,551 | 6,551 |
| | Other movements | (24) | - | (24) |
| | At 31 December 1999 | <u>(24)</u> | <u>171,326</u> | <u>171,302</u> |

14. Related party transactions

The house in Manchester was let to four students at a commercial rent for the period to August 1999. One of the tenants was the company secretary and director, Miss C Pelly. The property was sold in August 1999.

The company was under the control of Mrs F Pelly a director.