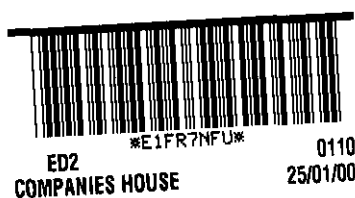

ANDREW LYNTON PROPERTY LIMITED

FINANCIAL STATEMENTS

◆ 30 June 1999 ◆

COMPANY NO: 2819173



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ANDREW LYNTON PROPERTY LIMITED

COMPANY INFORMATION

Directors A L Cohen
 W P Cohen
 B A Foreman
 S H Walters (appointed 28th June 1999)

Secretary B A Foreman

Registered office Lynton House
 5 Stanmore Hill
 Stanmore
 Middlesex
 HA7 3DP

Registered number 2819173

Auditors RSM Robson Rhodes
 Chartered Accountants
 Bryanston Court
 Selden Hill
 Hemel Hempstead
 Hertfordshire HP2 4TN

Bankers Barclays Bank plc
 15 Colmore Row
 Birmingham
 B3 2BY

 National Westminster Bank
 Hanley
 Stoke-on-Trent
 ST1 3JJ

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30 June 1999.

Principal activities

The principal activity of the company is property investment. Six properties were sold during the year. The directors continue to look for other investment opportunities.

Directors

The directors at the date of this report are disclosed on page 1.

The directors' interests in the shares of the parent company are disclosed in that company's accounts.

Directors' responsibilities for financial statements

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

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Millennium Transition

The directors have considered the risks of the potential problems in the processing of data or operation of electronic equipment affected by the transition from 1999 to 2000. In their opinion they are taking reasonable steps to ensure that the company is prepared for the transition. The costs associated with this transition are not considered significant.

Auditors

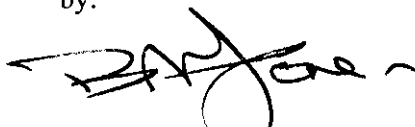
The auditors changed their name to RSM Robson Rhodes on 18 October 1999 and accordingly have signed the audit report using their new name. They are willing to continue in office. They are expected to be deemed to be reappointed in accordance with the elective resolution currently in force.

REPORT OF THE DIRECTORS continued

Approval

Advantage has been taken in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

The report by the directors was approved by the Board on 21st Dec 1999 and signed on its behalf by:



Barry Anthony Foreman
Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
ANDREW LYNTON PROPERTY LIMITED**

We have audited the financial statements on pages 5 to 11 which have been prepared on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



RSM Robson Rhodes

Chartered Accountants and Registered Auditor

Hemel Hempstead

21 December 1999

ANDREW LYNTON PROPERTY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30 June 1999

	Note	1999 £	1998 £
Turnover - continuing operations	1	390,768	508,539
Cost of sales		(1,313)	(1,750)
		<hr/>	<hr/>
Gross profit		389,455	506,789
Administrative expenses		(90,819)	(239,738)
		<hr/>	<hr/>
Operating profit - continuing operations	2	298,636	267,051
Profit on disposal/(write down) of investment properties		728,996	(69,281)
Interest payable	4	(90,677)	(93,777)
Interest receivable		7,711	4,382
		<hr/>	<hr/>
Profit on ordinary activities before taxation		944,666	108,375
Taxation on profit on ordinary activities	5	(161,002)	(32,990)
		<hr/>	<hr/>
Retained profit for the financial year	13	783,664	75,385
		<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30 June 1999

		1999 £	1998 £
Profit for the financial year		783,664	75,385
Unrealised surplus on property revaluations		350,000	564,699
		<hr/>	<hr/>
Total recognised gains	12	1,133,664	640,084
		<hr/> <hr/>	<hr/> <hr/>

ANDREW LYNTON PROPERTY LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	1999	1998
	£	£
Retained profits on ordinary activities before taxation	944,666	108,375
Release of property revaluation gains	499,309	-
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	1,443,975	108,375
	<hr/>	<hr/>
Historical cost retained profit	1,282,973	75,385
	<hr/>	<hr/>

ANDREW LYNTON PROPERTY LIMITED**BALANCE SHEET**
at 30 June 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	6	3,103,215	6,535,000
Current assets			
Debtors	7	3,547,665	107,647
Cash at bank and in hand		101,244	101,781
		3,648,909	209,428
Creditors: Amounts falling due within one year	8	(3,852,633)	(4,955,601)
Net current liabilities		(203,724)	(4,746,173)
Total assets less current liabilities		2,899,491	1,788,827
Provisions for liabilities and charges	9	-	(23,000)
Net assets		2,899,491	1,765,827
Capital and reserves			
Called up share capital	10	100	100
Revaluation reserve	13	929,798	1,079,107
Profit and loss account	13	1,969,593	686,620
Shareholders' funds - equity	12	2,899,491	1,765,827

Advantage has been taken in the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

The financial statements were approved by the Board on 21/12 1999 and signed on its behalf by:

Andrew Lynton Cohen
Director

NOTES TO THE FINANCIAL STATEMENTS

30 June 1999

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards, under the historical cost convention as modified by the revaluation of certain land and buildings.

Depreciation

The only tangible fixed assets held were investment properties, on which no depreciation is provided.

Investment properties

Investment properties, other than those leasehold properties with an unexpired term of less than 20 years, are included in the balance sheet at cost from the date of exchange of contracts, or subsequent valuation.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Group undertakings are able to relieve their taxable losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of this group that such losses will be paid for by the recipient company. Where there is reasonable certainty that taxable losses can be relieved, the group relief receivable or payable is included in the taxation charge or credit for the period.

Turnover

Turnover is the total income receivable excluding Value Added Tax in the ordinary course of business.

2. OPERATING PROFIT

	1999 £	1998 £
The profit on ordinary activities is stated after charging:		
Auditors' remuneration	-	-
	=====	=====

3. EMPLOYEES INFORMATION (INCLUDING DIRECTORS)

There were no employees during the period. The directors received no remuneration during the year.

NOTES TO THE FINANCIAL STATEMENTS
30 June 1999

4. INTEREST PAYABLE

	1999 £	1998 £
Interest on loans and bank overdrafts	88,295	93,777
Interest on group balances	2,382	-
	<u>90,677</u>	<u>93,777</u>

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
Taxation charge for the year		
Amount payable to group undertakings in respect of tax saved by group relief	196,965	32,990
Over provision on prior years	(12,963)	-
Deferred tax	(23,000)	-
	<u>161,002</u>	<u>32,990</u>

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long leasehold land and buildings £	Total £
Cost or valuation			
At 1 July 1998	6,235,000	300,000	6,535,000
Additions	8,215	-	8,215
Transfers from group undertaking	2,150,000	-	2,150,000
Disposals	(5,940,000)	-	(5,940,000)
Revaluation	255,000	95,000	350,000
	<u>2,708,215</u>	<u>395,000</u>	<u>3,103,215</u>
At 30 June 1999	<u>2,708,215</u>	<u>395,000</u>	<u>3,103,215</u>
Net book value			
At 30 June 1999	<u>2,708,215</u>	<u>395,000</u>	<u>3,103,215</u>
At 30 June 1998	<u>6,235,000</u>	<u>300,000</u>	<u>6,535,000</u>

All freehold and leasehold land and buildings are held as investment properties. The directors revalued the properties to market value at 30 June 1999.

ANDREW LYNTON PROPERTY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****30 June 1999****7. DEBTORS**

	1999	1998
	£	£
Amounts owed from fellow subsidiary undertakings	1,424,404	54,673
Other debtors	2,108,184	-
Prepayments and accrued income	15,077	52,974
	<u>3,547,665</u>	<u>107,647</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Bank loans and overdraft	880,112	1,500,000
Amounts owed to parent and group undertakings	2,258,407	3,198,305
Group relief payable	229,955	32,990
Other taxes and social security	379,036	12,963
Other creditors	62,825	37,692
Accruals	42,298	173,651
	<u>3,852,633</u>	<u>4,955,601</u>

Bank loans and overdrafts are secured by legal mortgage over the investment properties to which they relate. The company also acts, with certain other group companies, as guarantor in respect of loans made to Group companies.

Interest is charged in respect of balances due to Group undertakings.

9. PROVISION FOR LIABILITIES AND CHARGES

	1999	1998
	£	£
Deferred taxation comprises:		
Provided	-	23,000
	<u></u>	<u></u>
Unprovided		
Tax on potential capital gain	233,000	275,000
	<u></u>	<u></u>

ANDREW LYNTON PROPERTY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****30 June 1999****10. CALLED UP SHARE CAPITAL**

	1999	1998
	£	£
Authorised, issued and fully paid		
100 Ordinary shares of £1 each	100	100

11. TRANSACTIONS WITH DIRECTORS

There were no transactions with directors during the year.

12. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Total recognised gains	1,133,664	640,084
Opening Shareholders' funds	1,765,827	1,125,743
Closing shareholders' funds	2,899,491	1,765,827

13. RESERVES

	Revaluation Reserve	Profit and loss
	£	£
At 1 July 1998	1,079,107	686,620
Retained profit for the year	-	783,664
Revaluation in the year	350,000	-
Transfer to profit and loss account	(499,309)	499,309
At 30 June 1999	929,798	1,969,593

14. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is Andrew Lynton Holdings Limited, a company registered in England. Copies of the Group accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.