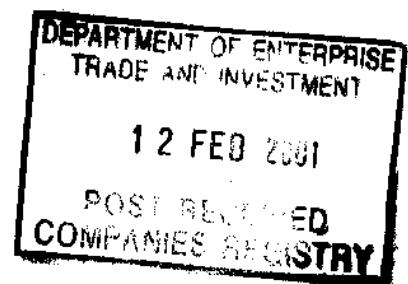


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L STANLEY PROPERTIES LIMITED
DIRECTORS' REPORT AND ACCOUNTS
30 APRIL 2000



COMPANY REGISTRATION NUMBER: 4432

L STANLEY PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and audited accounts for the year ended 30 April 2000.

1 PRINCIPAL ACTIVITY

The principal activity of the Company is property investment and management.

2 BUSINESS REVIEW AND RESULTS

The Company achieved a profit after taxation of £20,212 (1999 - £19,788). The Directors do not recommend the payment of a dividend.

The Directors look forward to the continued success of the Company in the future.

3 DIRECTORS

Directors who have served during the year are:

TA Lowry	
AM Riddy	Appointed 1 January 2000
L Steinberg	Resigned 19 September 1999
B Steinberg	Resigned 19 September 1999
GC Revill	Resigned 31 December 1999

None of the Directors held any interests in the share capital of the Company during the year.

The interests of the Directors in office at 30 April 2000 in the share capital of the ultimate parent undertaking, Stanley Leisure plc are shown in the annual report and accounts of that undertaking.

4 DIRECTORS' RESPONSIBILITIES

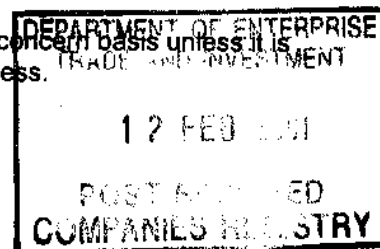
The Directors are required by the Companies (Northern Ireland) Order 1986 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the accounts on pages 4 to 10, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the accounts comply with the Companies (Northern Ireland) Order 1986.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are required to prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.



L STANLEY PROPERTIES LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

6 AUDITORS

Members of the Company have passed elective resolutions to dispense with the holding of an Annual General Meeting and the annual appointment of auditors.

By Order of the Board

S J Goulbourne

S J Goulbourne
Secretary

17th January 2001

REPORT OF THE AUDITORS TO THE MEMBERS OF L STANLEY PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 the 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 the Company's affairs at 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Manchester

17 January 2001

L STANLEY PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2000

	<u>30 April 2000</u> £	<u>2 May 1999</u> £
TURNOVER (Notes 1, 2)	27,741	30,757
Cost of sales	<u>(2,759)</u>	<u>(2,975)</u>
GROSS PROFIT	24,982	27,782
Administrative expenses	<u>(585)</u>	<u>(2,000)</u>
OPERATING PROFIT	24,397	25,782
Bank interest payable	<u>-</u>	<u>(33)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 3)	24,397	25,749
Taxation on profit on ordinary activities (Note 4)	<u>(4,185)</u>	<u>(5,961)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES (Note 10)	<u>20,212</u>	<u>19,788</u>

There is no material difference between the reported profit before taxation and the historical cost profit before taxation.

The Company has no recognised gains or losses other than the profits for the year as set out above. The profits for the years were derived from continuing operations.

The notes on pages 7 to 10 form part of these accounts.

L STANLEY PROPERTIES LIMITED

BALANCE SHEET – 30 APRIL 2000

	<u>30 April 2000</u> £	<u>2 May 1999</u> £
FIXED ASSETS		
Tangible assets (Note 5)	<u>270,000</u>	<u>270,000</u>
CURRENT ASSETS		
Debtors (Note 6)	571,679	547,931
Cash at bank and in hand	<u>2,053</u>	<u>1,054</u>
	573,732	548,985
CREDITORS - Amounts falling due within one year (Note 7)	<u>(108,143)</u>	<u>(103,608)</u>
NET CURRENT ASSETS	<u>465,589</u>	<u>445,377</u>
	735,589	715,377
CAPITAL AND RESERVES		
Called up share capital (Note 9)	9,090	9,090
Profit and loss account (Note 10)	535,157	514,945
Revaluation reserve (Note 10)	<u>191,342</u>	<u>191,342</u>
SHAREHOLDERS' FUNDS	<u>735,589</u>	<u>715,377</u>
Analysed as follows:		
Non-equity interest – deferred shareholders	9,000	9,000
Equity interest - ordinary shareholders	<u>726,589</u>	<u>706,377</u>
	735,589	715,377

APPROVED BY THE BOARD ON *17th January* 2001



A M Riddy
DIRECTOR

The notes on pages 7 to 10 form part of these accounts.

L STANLEY PROPERTIES LIMITED

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 APRIL 2000**

	<u>30 April 2000</u>	<u>2 May 1999</u>
	£	£
Profit for the financial year	20,212	19,788
Opening shareholders' funds	<u>715,377</u>	<u>695,589</u>
Closing shareholders' funds	<u>735,589</u>	<u>715,377</u>
Analysed as follows:		
Non-equity interest – deferred shareholders	9,000	9,000
Equity interest - ordinary shareholders	<u>726,589</u>	<u>706,377</u>
	<u>735,589</u>	<u>715,377</u>

L STANLEY PROPERTIES LIMITED

NOTES TO THE ACCOUNTS – 30 APRIL 2000

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain properties and in accordance with applicable accounting standards.

(b) Accounting year end

In accordance with Group accounting policies the accounts have been prepared for the year ending on the Sunday nearest to 30 April. For the current year this Sunday was 30 April 2000.

(c) Turnover

Turnover represents rents receivable from tenants of properties.

(d) Tangible fixed assets

The Company's properties were professionally revalued at 3 May 1998 on an open market existing use basis. Depreciation is not provided on investment properties. This departure from the Companies Act 1985, which requires all properties to be depreciated is, in the opinion of the Directors, necessary in order that the accounts present a true and fair view in accordance with applicable Accounting Standards.

On disposal of an investment property, the revaluation surplus or deficit is transferred from the revaluation reserve to profit and loss account reserves.

(e) Taxation

Corporation tax is provided on the assessable profits of the Company at the appropriate rates in force.

Provision is made for deferred taxation at the anticipated future rates in respect of taxation liabilities deferred to the extent that they are expected to reverse within the foreseeable future.

(f) Cashflow statement

In accordance with FRS1 (Revised) the Company has not prepared a cashflow statement since a consolidated cashflow statement is included within the accounts of its ultimate parent undertaking.

(g) Related party transactions

The Company has taken advantage of the exemption allowed by paragraph 3(c) of FRS 8 not to disclose transactions entered into with entities that are part of its qualifying group.

2 TURNOVER

All of the Company's business falls within a single class of activity and all turnover is in Northern Ireland.

During the year the Company has received income from properties which are beneficially owned by a fellow group undertaking.

L STANLEY PROPERTIES LIMITED

NOTES TO THE ACCOUNTS – 30 APRIL 2000 (CONTINUED)

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation
is stated after charging:

	<u>2000</u> £	<u>1999</u> £
Auditors' remuneration	588	2,000

None of the Directors received any emoluments in respect of their services to the Company, the Directors were remunerated by other companies within the Group. Other than the Directors, the Company had no employees during the year (1999 - Nil).

4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>2000</u> £	<u>1999</u> £
The taxation charge based on the profit before taxation comprises:		
Corporation tax at 30% (1999 – 31%)		
- current periods	7,319	7,961
- prior periods	(3,134)	-
Current year deferred tax	-	(2,000)
	<u>4,185</u>	<u>5,961</u>

5 TANGIBLE FIXED ASSETS

	<u>Freehold</u> £	<u>Long leasehold</u> £	<u>Total</u> £
AT VALUATION			
At 30 April 2000 and 2 May 1999	<u>27,000</u>	<u>243,000</u>	<u>270,000</u>

As stated in Note 1, no depreciation is attributable to properties.

L STANLEY PROPERTIES LIMITED

NOTES TO THE ACCOUNTS – 30 APRIL 2000 (CONTINUED)

5 TANGIBLE FIXED ASSETS (CONTINUED)

The properties were valued by Dunlop Heywood, Consultant Surveyors, at 3 May 1998, in accordance with the RICS Appraisal and Valuation Manual, on an open market value and fully operational basis for their existing use.

Properties which are included at a valuation would have been included on a historical cost basis at:

	<u>2000</u> £	<u>1999</u> £
Cost	78,658	78,658

6 DEBTORS

	<u>2000</u> £	<u>1999</u> £
Amounts owed by group undertakings	571,679	547,931

7 CREDITORS - Amounts falling due within one year

	<u>2000</u> £	<u>1999</u> £
Amounts due to group undertakings	85,247	83,508
Accruals and deferred income	2,350	2,000
Taxation and social security	<u>20,546</u>	<u>18,100</u>
	108,143	103,608

8 PROVISIONS FOR LIABILITIES AND CHARGES

No provision has been made for potential capital gains tax payable of £60,000 (1999 - £60,000) if properties were to be sold at their revalued amounts as there is no intention to dispose of the properties in the foreseeable future.

L STANLEY PROPERTIES LIMITED

NOTES TO THE ACCOUNTS – 30 APRIL 2000 (CONTINUED)

9 SHARE CAPITAL

	<u>Authorised</u> £	<u>Allotted and fully paid</u> £
The share capital at 30 April 2000 and 2 May 1999 was:		
Equity:- ordinary shares of £1 each	1,000	90
Non-equity:- deferred shares of £1 each	<u>9,000</u>	<u>9,000</u>
	10,000	9,090

The deferred ordinary shares carry no right to dividends or votes and in event of a liquidation the maximum distribution payable would be the nominal value of those shares.

10 RESERVES

	<u>Profit and loss account</u> £	<u>Revaluation reserve</u> £
At 2 May 1999	514,945	191,342
Profit for the year	<u>20,212</u>	-
At 30 April 2000	<u>535,157</u>	<u>191,342</u>

11 ULTIMATE PARENT UNDERTAKING

Stanley Leisure plc, a company registered in England, is the controlling party and ultimate parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the Company is a member.

Copies of the accounts of Stanley Leisure plc may be obtained from the Company Secretary, Stanley House, 151 Dale Street, Liverpool, L2 2JW.