

BURT BOULTON HOLDINGS LIMITED

Report and Financial Statements

31 March 2000

**Deloitte & Touche
Chartered Accountants
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BZ**



REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Roberts
J R Coninx
A R Tomkins

SECRETARY

G Hemmings

REGISTERED OFFICE

5-6 The Square
Winchester
Hampshire
SO23 9WE

AUDITORS

Deloitte & Touche
Chartered Accountants
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BZ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

ACTIVITY

The principal activity of the company during the year was the management, development and maintenance of the company's property assets. No significant changes in the company's activities is anticipated in 2000/01.

RESULTS AND DIVIDENDS

The results of the company for the year are set out on page 5.

An interim dividend of £nil(1999 - £3,000,000) has been paid. The directors do not propose a final dividend (1999 - £nil).The company made charitable donations totalling £830,000 during the year (1999: nil).

DIRECTORS AND DIRECTORS' INTERESTS

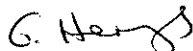
The directors who served throughout the year are set out on page 1. Mr GH Hicks died on 14 January 2000.

The company is a wholly owned subsidiary of Thomas Roberts Estates Limited. Under SI 1985 Number 802 declarations by J Roberts, who is the ultimate controlling party, J R Coninx and A R Tomkins of interests in the share capital of Thomas Roberts Estates Limited are made in the accounts of that company.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G Hemmings

29th August 2000

STATEMENT OF 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 affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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. 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.

AUDITORS' REPORT TO THE MEMBERS OF BURT BOULTON HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 11, which have been prepared under the accounting policies, set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

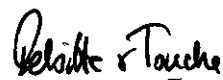
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE
Chartered Accountants and Registered Auditors
5 September 2000

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2000

	Note	2000 £	1999 £
TURNOVER – continuing operations	2	1,509,933	1,533,257
Total operating expenses		<u>(1,239,873)</u>	<u>(359,696)</u>
OPERATING PROFIT – continuing operations	2	270,060	1,173,561
Other interest receivable		<u>94,340</u>	<u>242,262</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		364,400	1,415,823
Tax on profit on ordinary activities	4	<u>(126,282)</u>	<u>(435,099)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		238,118	980,724
Dividend paid	5	<u>-</u>	<u>(3,000,000)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	<u><u>238,118</u></u>	<u><u>(2,019,276)</u></u>

There have been no gains or losses that have not been recognised in the profit and loss account for the current year or prior year. Accordingly a statement of total recognised gains and losses has not been prepared.

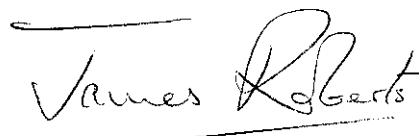

BURT BOULTON HOLDINGS LIMITED

BALANCE SHEET 31 March 2000

	Note	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS					
Tangible fixed assets	6		7,091,762		7,106,408
CURRENT ASSETS					
Stocks	7	2,809,439		2,809,439	
Debtors	8	395,922		281,811	
Cash at bank		941,690		1,007,111	
		4,147,051		4,098,361	
CREDITORS: amounts falling due within one year	9	713,157		917,231	
NET CURRENT ASSETS			3,433,894		3,181,130
TOTAL ASSETS LESS CURRENT LIABILITIES			10,525,656		10,287,538
NET ASSETS			10,525,656		10,287,538
CAPITAL RESERVES					
Called up share capital	10	1,776,521		1,776,521	
Share premium account	12	646,836		646,836	
Revaluation reserve	12	5,405,461		5,405,461	
Profit and loss account	12	2,696,838		2,458,720	
EQUITY SHAREHOLDERS' FUNDS	11	10,525,656		10,287,538	

These financial statements were approved by the Board of Directors on 29 August 2000.
Signed on behalf of the Board of Directors

Directors

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

These financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of freehold land and buildings.

Turnover

Turnover comprises rentals from external customers, excluding value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, other than certain freehold land and buildings and an investment property which are stated at professional valuations as described in note 6.

Freehold land is not depreciated. Investment property is included in the balance sheet at open market value. Any surplus or deficit arising is dealt with in the revaluation reserve. No depreciation is provided in respect of investment property. This departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is necessary for the accounts to show a true and fair view in accordance with applicable accounting standards. For all other tangible fixed assets, depreciation is provided to write off their cost or valuation on a straight line basis over their estimated useful lives, which are considered to be:

Freehold buildings 5 - 30 years

The company has adopted the transitional provisions of Financial Reporting Standard 15 in the year and therefore the valuation of tangible fixed assets has not been updated.

Stock

Stock being land and buildings held for development is valued at the lower of cost or net realisable value.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

2. OPERATING PROFIT

Analysis of turnover and operating profit is as follows:

	Turnover 2000 £	Operating profit 2000 £	Turnover 1999 £	Operating profit 1999 £
Rental income	1,509,933	270,060	1,402,265	1,049,751
Commercial property trading	-	-	130,992	123,810
	<u>1,509,933</u>	<u>270,060</u>	<u>1,533,257</u>	<u>1,173,561</u>

Operating profit is stated after charging:

	2000 £	1999 £
Depreciation of, and amounts written off, tangible assets	14,646	14,662
Charitable donation	830,000	-
Auditors' remuneration	<u>8,500</u>	<u>4,000</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The remuneration of the Chairman and other directors is paid by a connected company and is included within the management fees payable by this company.

The average number employed by the company was nil (1999 - nil).

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
Taxation charge is based on the result for the year and comprises:		
Corporation tax at 30% (1999 - 31%) on taxable profit	124,701	440,084
Adjustment in respect of prior years	<u>1,581</u>	<u>(4,985)</u>
	<u>126,282</u>	<u>435,099</u>

5. DIVIDEND PAID

	2000 £	1999 £
Interim dividend at £nil per stock unit (1999 - £1.6887 per stock unit)	<u>-</u>	<u>3,000,000</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

6. TANGIBLE FIXED ASSETS

	Investment properties £	Freehold land and buildings £	Total £
Cost or valuation:			
At 1 April 1999	5,504,817	2,784,085	8,288,902
Additions	-	-	-
At 31 March 2000	5,504,817	2,784,085	8,288,902
Accumulated Depreciation:			
At 1 April 1999	-	1,182,494	1,182,494
Charged in year	-	14,646	14,646
At 31 March 2000	-	1,197,140	1,197,140
Net book value:			
At 31 March 2000	5,504,817	1,586,945	7,091,762
At 31 March 1999	5,504,817	1,601,591	7,106,408

Included in freehold land and buildings is land valued at £1,347,517 (1999 - £1,347,517) which is not depreciated.

The investment property was valued as at 31 March 1996 by Drivers Jonas, Chartered Surveyors, on the basis of The Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors. The basis of valuation was open market value as defined by these Guidance Notes. The directors have reviewed the valuation and consider it still to be appropriate at 31 March 2000.

A professional valuation of freehold land and buildings at 31 March 1981 of £1,275,000 is included in the above figures.

On an historical cost basis freehold land and buildings including investment properties would have been included at:

	2000 £	1999 £
Cost	3,186,641	3,186,641
Aggregate depreciation	(1,560,825)	(1,546,179)
Net book value	1,625,816	1,640,462

The sale of investment property at the revalued amount would not be expected to give rise to a potential liability to tax.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

7. STOCKS

	2000 £	1999 £
Land and buildings held for development	2,809,439	2,809,439

8. DEBTORS

	2000 £	1999 £
Trade debtors	384,119	267,881
Other debtors	11,803	13,930
	<u>395,922</u>	<u>281,811</u>

All amounts are due within one year.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	123,343	80,013
Other creditors	504,533	397,134
Corporation tax	85,281	440,084
	<u>713,157</u>	<u>917,231</u>

10. CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Ordinary stock units of £1 each	1,776,521	1,776,521	1,776,521	1,776,521
Ordinary shares of £1 each	223,479	223,479	-	-
	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,776,521</u>	<u>1,776,521</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Opening shareholders' funds	10,287,538	12,306,814
Profit/(loss) for the financial year	238,118	(2,019,276)
Closing shareholders' funds	<u>10,525,656</u>	<u>10,287,538</u>

12. RESERVES

	Share premium £	Revaluation Reserve £	Profit and loss account £	Total £
At 1 April 1999	646,836	5,405,461	2,458,720	8,511,017
Retained profit for the year	-	-	238,118	238,118
At 31 March 2000	<u>646,836</u>	<u>5,405,461</u>	<u>2,696,838</u>	<u>8,749,135</u>

Included in the revaluation reserve at 31 March 2000 is £4,252,339 (1999 - £4,252,339) relating to the revaluation of investment property.

13. CONTINGENT LIABILITY

Under a group registration the company is jointly and severally liable for value added tax due by other companies. At 31 March 2000 this contingent liability amounted to £213,123 (1999: £250,261).

14. RELATED PARTY TRANSACTIONS

During the year, the following transactions took place with connected parties under common control:

The company received rental income of £5,760 (1999: £5,760), £194,400 (1999: £194,400) and £45,500 (1999: £45,500) from Fillcrete Limited, Great Marsh Limited and Wheelers Limited respectively.

The company paid management fees to Thomas Roberts (Westminster) Limited amounting to £250,000 (1999: £175,000).

The company received interest from Thomas Roberts (Westminster) Limited amounting to £94,313 (1999: £211,309).

The company made a donation of £830,000 (1999: £nil) to the Thomas Roberts Trust.

The company was owed £1,440 (1999: £1,440), £46,931 (1999: £46,896) and £11,375 (1999: £11,375) by Fillcrete Limited, Great Marsh Limited and Wheelers Limited respectively as at 31 March 2000.

The company owed £103,356 (1999: £64,079) to Thomas Roberts (Westminster) Limited at 31 March 2000.

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Thomas Roberts Estates Limited, which is incorporated in Great Britain. Copies of the financial statements of the ultimate parent company can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.