

COMPANY REGISTRATION NO. 782908

CONTEMPORARY SECURITIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

HARPER BROOM ROBERTS
CHARTERED ACCOUNTANTS
ST IVES ROAD, MAIDENHEAD



CONTEMPORARY SECURITIES LIMITED
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FOR THE YEAR ENDED 31 MARCH 2001

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CONTEMPORARY SECURITIES LIMITED
DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2001.

DIRECTORS

M B Conn
 Mrs H R Conn
 D M Cramer
 D G Conn
 W Millsom

HOLDING COMPANY

The ultimate holding company is Stewart & Wight plc.

PRINCIPAL ACTIVITY

The company did not trade during the year.

REVIEW OF THE BUSINESS

The results for the year are set out in the profit and loss account on page 5.

All the assets and the liabilities of the company have been transferred to the holding company Stewart & Wight Plc for the purposes of easier and more effective administration of the Group.

FIXED ASSETS - INVESTMENT PROPERTIES

The investment properties were all transferred to the holding company on 31 March 2000.

DIVIDENDS

The company paid a dividend of £525,153 per share during the year (2000: £282,065 per share).

DIRECTORS' INTERESTS

The interests of the directors in the share capital of the company at the beginning and end of the year were:

| | <u>Ordinary shares of £1 each</u> | |
|--------------|-----------------------------------|---------------------|
| | <u>31 March 2001</u> | <u>1 April 2000</u> |
| | <u>Number</u> | <u>Number</u> |
| M B Conn | 1 | 1 |
| Mrs H R Conn | 1 | 1 |

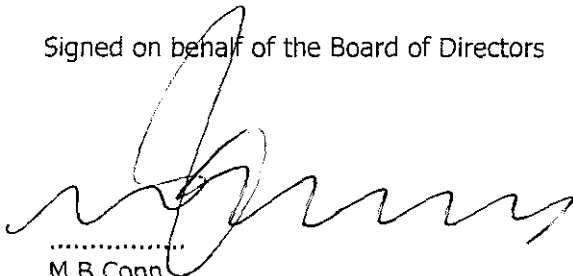
As at 31 March 2001, Mr and Mrs Conn held the shares as bare nominees for Stewart & Wight plc.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The company's auditors, Harper Broom Roberts, Data House, St Ives Road, Maidenhead, Berkshire, have expressed their willingness to continue in office. In accordance with Section 385 of the Companies Act 1985 a resolution proposing the reappointment of Harper Broom Roberts as auditors of the company will be put to the members at the forthcoming Annual General Meeting.

Signed on behalf of the Board of Directors



.....
M B Conn
Secretary

Approved by the Board on 19th July 2001

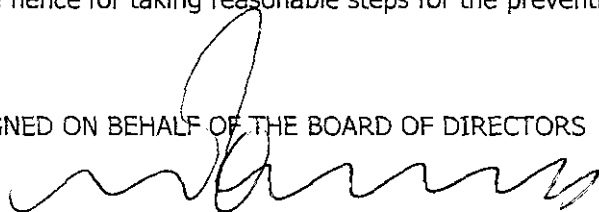
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 at the end of the financial year and of the profit or loss of the company for that year. 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 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.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS



M B Conn

Secretary

Approved by the Board on 19th July 2001

AUDITORS' REPORT

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TO THE SHAREHOLDERS OF

CONTEMPORARY SECURITIES LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of 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 the 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 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Harper Broom Roberts

MAIDENHEAD

HARPER BROOM ROBERTS
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

19th July 2001

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2001

| | | <u>2001</u> | | <u>2000</u> | |
|--|--------------|-------------|-------------|-------------|-----------|
| | <u>NOTES</u> | £ | £ | £ | £ |
| RENT RECEIVABLE | | | - | | 141,413 |
| Administrative expenses | | - | | 14,938 | |
| Other operating income | | - | | (626) | |
| | | | | | |
| | | | - | | 14,312 |
| OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | | - | | 127,101 |
| Taxation | 4 | | - | | 33,333 |
| PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR | | | - | | 93,768 |
| Dividends | 5 | | 1,050,305 | | 564,130 |
| RETAINED (LOSS)/PROFIT FOR THE YEAR | | | (1,050,305) | | (470,362) |

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| | | |
|---|-------------|---------|
| Profit for the financial year | (1,050,305) | 93,768 |
| Unrealised surplus on revaluation of properties | - | 125,000 |
| Total recognised gains and losses in the year | (1,050,305) | 218,768 |

The company's activities are all of a discontinued nature. There is no material difference between the profit on ordinary activities before taxation and the historical cost equivalent.

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

BALANCE SHEET

AT 31 MARCH 2001

| | NOTES | <u>2001</u> | | <u>2000</u> | |
|--|-------|-------------|---------|-------------|-----------|
| | | £ | £ | £ | £ |
| CURRENT ASSETS | | | | | |
| Debtors | 6 | | 284,872 | | 1,335,177 |
| | | | <hr/> | | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 284,872 | | 1,335,177 |
| | | | <hr/> | | <hr/> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 7 | | 2 | | 2 |
| Profit and loss account | 8 | | 43,382 | | 1,093,687 |
| Investment revaluation reserve | 8 | | - | | - |
| Capital reserve | 8 | | 241,488 | | 241,488 |
| | | | <hr/> | | <hr/> |
| SHAREHOLDERS' FUNDS | 9 | | 284,872 | | 1,335,177 |
| | | | <hr/> | | <hr/> |

The company has remained dormant throughout the whole year.

The financial statements were approved by the Board of Directors on 19th July 2001 and signed on its behalf by:


D M Cramer
Director

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

NOTES TO THE FINANCIAL STATEMENTSAT 31 MARCH 20011. ACCOUNTING POLICIES(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards. The company has taken advantage of the exemption in Financial Reporting Standard 1 from preparing a cash flow statement.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

| | <u>2001</u> | <u>2000</u> |
|---|-------------|-------------|
| | £ | £ |
| Directors emoluments (Note 3) | - | 8,150 |
| Profit on sale of current asset investments | - | - |
| Rents receivable | - | (141,413) |
| Income from listed investments | - | (626) |
| | <hr/> | <hr/> |

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2001

| | <u>2001</u> | <u>2000</u> |
|---|-------------|-------------|
| | £ | £ |
| <u>3. DIRECTORS' EMOLUMENTS</u> <u>(EXCLUDING PENSION CONTRIBUTIONS)</u> | | |
| Emoluments | - | 8,150 |
| | <hr/> | <hr/> |
| No further remuneration was paid or benefits provided to any other directors. | | |
| The average monthly number of employees during the year was 5 (2000: 5). | | |
| Staff costs were as follows: | | |
| Wages and salaries | - | 8,150 |
| | <hr/> | <hr/> |
| <u>4. TAXATION</u> | | |
| Provision for corporation tax (2000: 26.35%) based on the taxable profits for the year | - | 33,604 |
| Taxation adjustment | - | (271) |
| | <hr/> | <hr/> |
| | - | 33,333 |
| | <hr/> | <hr/> |
| Taxation payable | | |
| Corporation tax payable 1 January 2001 | - | 36,604 |
| | <hr/> | <hr/> |
| <u>5. DIVIDENDS</u> | | |
| Final proposed - NIL (2000: £282,065 per share) | 1,050,305 | 564,130 |
| | <hr/> | <hr/> |

CONTEMPORARY SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AT 31 MARCH 2001

| | <u>2001</u> | <u>2000</u> |
|------------------------------------|-------------|-------------|
| | £ | £ |
| 6 DEBTORS | | |
| Due within one year | | |
| Amounts owed by group undertakings | 284,872 | 1,335,177 |

7. CALLED UP SHARE CAPITAL

| | | |
|-------------------------------------|-----|-----|
| Authorised: | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| Allotted, called up and fully paid: | | |
| 2 Ordinary shares of £1 each | 2 | 2 |

There have been no changes in the year.

8. MOVEMENT ON RESERVES

| | <u>Profit & Loss Account</u> | <u>Capital Reserve</u> |
|----------------------------|--------------------------------------|----------------------------|
| | £ | £ |
| As at 1 April 2000 | 1,093,687 | 241,488 |
| Retained loss for the year | (1,050,305) | - |
| As at 31 March 2001 | 43,382 | 241,488 |

CONTEMPORARY SECURITIES LIMITEDNOTES TO THE FINANCIAL STATEMENTSAT 31 MARCH 20019. SHAREHOLDERS' FUNDS(a) Reconciliation of Movement in Shareholders' Funds

| | | |
|--|-------------|-----------|
| Profit on ordinary activities after taxation | - | 93,768 |
| Dividends | (1,050,305) | (564,130) |
| | (1,050,305) | (470,362) |
| Revaluation surplus in year | - | 125,000 |
| Net reduction in shareholders' funds | (1,050,305) | (345,362) |
| Opening shareholders' funds | 1,335,177 | 1,680,539 |
| Closing shareholders' funds | 284,872 | 1,335,177 |

(b) Analysis of Shareholders' funds

| | | |
|------------------|---------|-----------|
| Equity interests | 284,872 | 1,680,539 |
|------------------|---------|-----------|

10. ULTIMATE CONTROLLING PARTY

The company is a 100% subsidiary of Stewart & Wight Plc. The Company is ultimately controlled by Mr & Mrs M B Conn. A copy of the Accounts of Stewart & Wight Plc may be obtained from 845 Finchley Road, London NW11 8NA.

11. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year. Advantage has been taken of the exemption from disclosing related party transactions with Group Companies

12. POST BALANCE SHEET EVENTS

The company will not enter into trade for the foreseeable future.