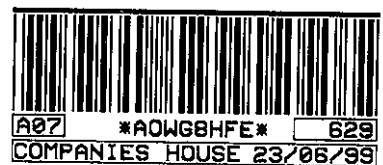


Analytical Investment Advisors Ltd

Year Ended 31st December 1998

Company Registration Number 00937336 (England and Wales)



**ANALYTICAL INVESTMENT ADVISORS LIMITED
REPORT OF THE DIRECTORS**

The directors submit their report together with the audited financial statements of the company for the year ended 31 December 1998.

RESULTS AND ACTIVITIES

The business of the Company is to advise, deal and consult on all insurance and investments matters.

The Company has not traded during the year under review

DIVIDEND

The directors do not recommend the payment of a dividend for the year.

DIRECTORATE

The directors of the company during the year were:

M.A. Heller
P.S. Hawkings
M.C. Stevens

None of the directors had an interest in the shares of the company. M.A. Heller, P.S. Hawkings and M.C. Stevens are Directors of London & Associated Properties Plc (Registered in England), the Company's Ultimate Holding Company. Their interests in the shares of the holding company are shown in that company's Annual Report.

TAXATION STATUS

The Directors are of the opinion that the Close Company provisions of the above Act do not apply to the Company.

AUDITORS

The company is exempt from the obligation to appoint auditors as provided by Section 252 of the Companies Act 1985.

By Order of the Board

T. G. DICKER
Secretary



8-10 New Fetter Lane
London EC4A 1AF

1 March 1999

ANALYTICAL INVESTMENT AUDITORS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1998

	NOTE	1998 £	1997 £
<u>Current Assets</u>			
Amount Owing From Holding Company	2	<u>£932</u>	<u>£932</u>
<u>Capital and Reserves</u>			
Share Capital	3	90	90
Profit & Loss Account		842	842
		<u>£932</u> =====	<u>£932</u> =====

Throughout the financial year ending on the above date the Company was dormant within the meaning of Section 252 of the Companies Act 1985.

The Notes on page 3 form part of these Financial Statements.

These Financial Statements were approved by the Board on 1 March 1999.



M.C. Stevens
Director

ANALYTICAL INVESTMENTS ADVISORS LIMITED

NOTES ON THE FINANCIAL STATEMENTS

31 DECEMBER 1998

1. ACCOUNTING POLICIES

Basis of Accounting: These Financial Statements have been prepared under the historical cost basis of accounting.

2. AMOUNT OWING FROM HOLDING COMPANY

The amount is repayable on demand and is interest free.

The Company's ultimate holding Company is London & Associated Properties Plc, incorporated in England.

3. SHARE CAPITAL

	1998	1997
Authorised:		
50 Voting Shares of £1 each	50	50
50 Non-Voting Shares of £1 each	50	50
	=====	=====
	£100	£100
	=====	=====
Issued and full paid:		
50 Voting Shares of £1 each	50	50
40 Non-Voting Shares of £1 each	40	40
	=====	=====
	£90	£90
	=====	=====

4. PROFIT AND LOSS ACCOUNT

The company has not traded during the year and all its expenses have been borne by its ultimate holding Company (1997 the same).