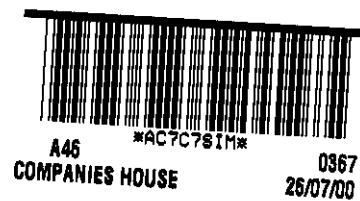


PARKSIDE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999



PARKSIDE PROPERTY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	J M Slinger J R Slinger
Secretary	J R Slinger
Company Number	1995265
Registered Office	Westfield House Carr Lane Thorner Leeds LS14 3HD

PARKSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

The directors present their report together with the financial statements for the year ended 31st December 1999.

Principal Activities

The company continued to trade as a property developer and as an investment company and property manager.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31st	1st
	December	January
	1999	1999
J M Slinger	-	-
J R Slinger	100	100

Political and Charitable Contributions

The company made no political nor charitable contributions during the year.

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 the company's affairs and of the profit or loss for that year. In preparing these 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 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.

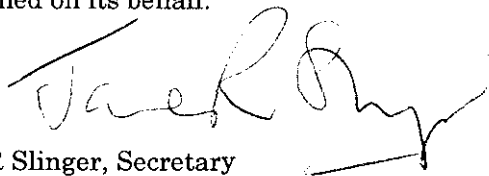
PARKSIDE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

Small company exemptions

The report of the Directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved by the board on 1 June 2000, and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J R Slinger', is written over a horizontal line.

J R Slinger, Secretary
1 June 2000

PARKSIDE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	1999 £	1998 £
Turnover	2	67,427	65,677
Administrative Expenses		<u>13,003</u>	<u>36,292</u>
		54,424	29,385
Other operating income		<u>6,974</u>	<u>923</u>
Operating Profit		61,398	30,308
Profit on sale of fixed asset investments		153,540	-
Interest Receivable		3,522	3,913
Interest Payable and Similar Charges		<u>(3,289)</u>	<u>(10,571)</u>
Profit on Ordinary Activities before Taxation		215,171	23,650
Tax on profit on ordinary activities	3	<u>39,136</u>	<u>2,379</u>
Profit for the Financial Year		176,035	21,271
Dividends		<u>6,400</u>	<u>-</u>
Retained Profit for the Year		<u>169,635</u>	<u>21,271</u>

The notes on pages 7 to 9 form part of these financial statements

PARKSIDE PROPERTY INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST DECEMBER 1999

	1999	1998
	£	£
Statement of Total Recognised Gains and Losses		
Profit for the financial year	176,035	21,271
Unrealised surplus on revaluations of freehold land and buildings	-	134,831
	<hr/>	<hr/>
Total recognised gains relating to the year	176,035	156,102
	<hr/>	<hr/>

PARKSIDE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1999

	Notes	1999		1998	
		£	£	£	£
Fixed Assets					
Tangible assets	4		500,000		500,000
Investments	5		-		84,772
			<u>500,000</u>		<u>584,772</u>
Current Assets					
Debtors	6	4,555		1,328	
Cash at bank		163,872		-	
		<u>168,427</u>		<u>1,328</u>	
Creditors: Amounts Falling Due Within One Year	7	44,691		131,998	
Net Current Assets (Liabilities)			123,736		(130,670)
Total Assets Less Current Liabilities			<u>623,736</u>		<u>454,102</u>
Capital and Reserves					
Share Capital	8		100		100
Revaluation reserve			297,264		297,264
Profit and loss account			326,372		156,738
			<u>623,736</u>		<u>454,102</u>

The directors are of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st December 1999.

The directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The directors confirm that they are responsible for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

CONT...

PARKSIDE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1999 - CONT.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the board on 1 June 2000 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J M Slinger', with a long horizontal flourish extending to the right.

J M Slinger
Director

PARKSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

1. Accounting Policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention except that certain freehold properties are shown at their revalued amounts.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for rents and management fees.

Investment Properties

In accordance with Statement of Standard Accounting Practice No 19, certain of the company's properties are held for long-term investment and are included in the Balance Sheet at their open market values. The surplus or deficit on annual revaluation of such properties is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the Financial Statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Taxation

	1999	1998
Based on the profit for the year	£	£
UK corporation tax at 20.25% (1998 21%)	39,136	2,379
	=====	=====

PARKSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

4. Tangible Fixed Assets

	Land & Buildings	Total
	£	£
Cost or valuation		
At 1 January 1999 and 31 December 1999	500,000	500,000
	<u>=====</u>	<u>=====</u>

5. Fixed Asset Investments

	Investments Other than Loans	Total
	£	£
Cost		
At 1st January 1999	84,772	84,772
Additions	389,155	389,155
Disposals	(473,927)	(473,927)
	<u>=====</u>	<u>=====</u>
At 31st December 1999	-	-
	<u>=====</u>	<u>=====</u>

Additions during the year comprise an 80.8% shareholding in Gradebatch Limited, which was sold later in the year. Gradebatch Limited was dormant throughout the company's period of ownership.

6. Debtors

	1999	1998
	£	£
Other debtors	4,555	1,328
	<u>=====</u>	<u>=====</u>

7 Creditors:

Amounts Falling Due Within One Year	1999	1998
	£	£
Bank loans and overdrafts	-	2,817
Other creditors	44,621	105,863
Directors' loan accounts	70	23,318
	<u>=====</u>	<u>=====</u>
	44,691	131,998
	<u>=====</u>	<u>=====</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

PARKSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

8. Share Capital	1999	1998
	£	£
Authorised		
1,000 Ordinary shares of £1.00 each	1,000	1,000
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>
Allotted		
100 Allotted, called up and fully paid ordinary shares of £1.00 each.	100	100
	<hr/>	<hr/>

9. Related Parties

During the year the company sold its 1.67% shareholding in Integrated Technology (Europe) Limited to J M Slinger at its market value of £200,000. J M Slinger is a director and with associates, controlling director of the Company.