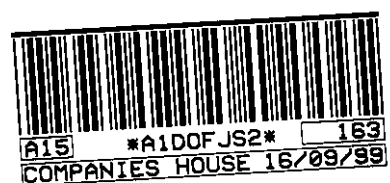


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PARKSIDE PROPERTY INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

Company N



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
Reporting Accountant	David C. Ranson FCA 2A Norfolk Hill Grenoside Sheffield S35 8QB

PARKSIDE PROPERTY INVESTMENTS LIMITED

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PARKSIDE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1998

The directors present their report together with the financial statements for the year ended 31st December 1998.

Principal Activities

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

Directors

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

	Ordinary Shares	
	31st	<i>1st</i>
	December	<i>January</i>
	1998	<i>1998</i>
J.M. Slinger	-	-
J.R. Slinger	100	<i>100</i>

Political and Charitable Contributions

The company made no political or 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.

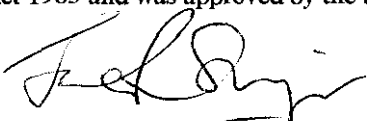
PARKSIDE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1998

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 19th August 1999, and signed on its behalf.



J.R. Slinger, Secretary
19th August 1999

ACCOUNTANTS' REPORT TO THE DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
PARKSIDE PROPERTY INVESTMENTS LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st December 1998, set out on pages 4 to 10, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, I have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to me.

David C. Ranson
Chartered Accountant
2A Norfolk Hill
Grenoside
Sheffield
S35 8QB
Date: 19th August 1999



PARKSIDE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	Notes	1998 £	1997 £
Turnover	2	65,677	44,989
Administrative Expenses		36,292	28,995
		29,385	15,994
Other operating income		923	923
Operating Profit		30,308	16,917
Interest Receivable		3,913	4,325
Interest Payable and Similar Charges		(10,571)	(9,480)
Profit on Ordinary Activities before Taxation		23,650	11,762
Tax on profit on ordinary activities	3	2,379	2,816
Profit for the Financial Year		21,271	8,946
Dividends		-	5,600
Retained Profit for the Year		21,271	3,346

The notes on pages 8 to 10 form part of these financial statements.

PARKSIDE PROPERTY INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST DECEMBER 1998

	1998	1997
	£	£
Statement of Total Recognised Gains and Losses		
Profit for the financial year	21,271	8,946
Unrealised surplus on revaluations of freehold land and buildings	134,831	-
Total recognised gains relating to the year	156,102	8,946

PARKSIDE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1998

	Notes	£	1998 £	£	1997 £
Fixed Assets					
Tangible assets	4		500,000		341,771
Investments	5		84,772		84,772
			<u>584,772</u>		<u>426,543</u>
Current Assets					
Debtors	6	1,328		37,187	
		<u>1,328</u>		<u>37,187</u>	
Creditors: Amounts Falling Due Within One Year	7	131,998		165,730	
Net Current Liabilities			<u>(130,670)</u>		<u>(128,543)</u>
Total Assets Less Current Liabilities			<u>454,102</u>		<u>298,000</u>
Capital and Reserves					
Share capital	8		100		100
Revaluation reserve			297,264		162,433
Profit and loss account			156,738		135,467
Shareholders' Funds			<u>454,102</u>		<u>298,000</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 1998.

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.

PARKSIDE PROPERTY INVESTMENTS LIMITED

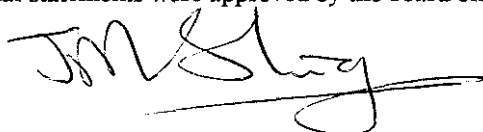
BALANCE SHEET

AS AT 31ST DECEMBER 1998

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 19th August 1999 and signed on its behalf.

J.M. Slinger
Director

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

PARKSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

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.

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

	1998	1997
	£	£
Based on the profit for the year		
UK corporation tax at 21% (1997 21.75%)	2,379	2,816

PARKSIDE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

4 Tangible Fixed Assets

	Land & Buildings £	Total £
Cost or valuation		
At 1st January 1998	341,771	341,771
Additions	23,398	23,398
Revaluations	134,831	134,831
At 31st December 1998	500,000	500,000

5 Fixed Assets Investments

	Investments Other than Loans	Total
Cost	£	£
At 1st January 1998	84,772	84,772
At 31st December 1998	84,772	84,772

6 Debtors

	1998 £	1997 £
Other debtors	1,328	37,187

7 Creditors: Amounts Falling Due Within One Year

	1998 £	1997 £
Bank loans and overdrafts	2,817	149,631
Other creditors	105,863	8,879
Directors' loan accounts	23,318	7,220
	131,998	165,730

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 1998

8	Share Capital	1998	1997
		£	£
	Authorised		
	1,000 Ordinary shares of £1.00 each	1,000	<i>1,000</i>
		1,000	<i>1,000</i>
	Allotted		
	100 Allotted, called up and fully paid ordinary shares of £1.00 each	100	<i>100</i>