

REYKER INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999



REYKER INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	N D J Freeman F A Dada C R B Hesketh
Secretary	St James Secretariat Limited
Company number	2006742
Registered office	30 St James's Street London SW1A 1HB
Auditors	Green & Peter Chartered Accountants The Limes 1339 High Road Whetstone N20 9HR
Bankers	Samuel Montagu & Co Limited 31 Hill Street London W1X 7FD

REYKER INVESTMENTS LIMITED

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REYKER INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and financial statements for the year ended 31 December 1999.

Principal activities

The principal activities of the company are the provision of management and management consultancy services and investment holding and management.

Year 2000

A review of the systems and operational implications of the Year 2000 issue has been carried out. The company has an ongoing action plan to modify existing systems as problems are identified. The directors are of the opinion that the costs associated with the Year 2000 problem, and the introduction of the Euro, will not prove to be material in the foreseeable future.

Directors

The following directors have held office since 1 January 1999:

N D J Freeman
F A Dada
C R B Hesketh

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 1999	1 January 1999
N D J Freeman	126,610	126,610
F A Dada	-	-
C R B Hesketh	-	-

	Deferred Shares of £ 1 each	
	31 December 1999	1 January 1999
N D J Freeman	100	100
F A Dada	-	-
C R B Hesketh	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Green & Peter be reappointed as auditors of the company will be put to the Annual General Meeting.

REYKER INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 1999

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 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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



.....
F. A. Dada

Director

5-7-00
.....

REYKER INVESTMENTS LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF REYKER INVESTMENTS LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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

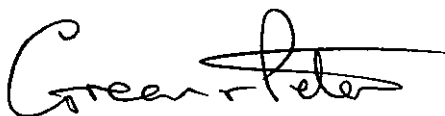
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

In our opinion the company is entitled to the exemption from preparing consolidated financial statements by Section 248 of the Companies Act 1985.



Green & Peter

5 July 2000

Chartered Accountants

Registered Auditor

The Limes

1339 High Road

Whetstone

N20 9HR

REYKER INVESTMENTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1999**

		1999	1998
	Notes	£	£
Turnover		81,127	79,574
Administrative expenses		(73,690)	(76,033)
Operating profit	2	7,437	3,541
Investment income	3	80,000	80,000
Other interest receivable and similar income	3	2,341	3,459
Interest payable and similar charges		-	(19)
Profit on ordinary activities before taxation		89,778	86,981
Tax on profit on ordinary activities	4	(1,027)	(1,104)
Profit on ordinary activities after taxation		88,751	85,877
Dividends		(25,000)	(15,000)
Retained profit for the year	10	63,751	70,877

REYKER INVESTMENTS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1999**

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	5		19,691		22,588
Investments	6		665,363		665,363
			<u>685,054</u>		<u>687,951</u>
Current assets					
Debtors	7	421,076		271,791	
Cash at bank and in hand		8,421		112,971	
		<u>429,497</u>		<u>384,762</u>	
Creditors: amounts falling due within one year	8	(60,663)		(82,576)	
Net current assets			<u>368,834</u>		<u>302,186</u>
Total assets less current liabilities			<u>1,053,888</u>		<u>990,137</u>
Capital and reserves					
Called up share capital	9		400,100		400,100
Share premium account	10		122,344		122,344
Profit and loss account	10		531,444		467,693
Shareholders' funds			<u>1,053,888</u>		<u>990,137</u>

These 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.

The financial statements were approved by the Board on 5.7.00

F A Dada
Director

REYKER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

1.2 Turnover

Turnover represents the value of services invoiced exclusive of value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	No depreciation is provided in respect of Freehold Land and Buildings
Computer Equipment	25% per annum reducing balance
Motor vehicles	25% per annum reducing balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit

	1999	1998
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	2,897	3,862
Auditors' remuneration	500	500
Directors' emoluments	29,583	25,000
	<u> </u>	<u> </u>

3 Income from investments, other interest receivable and similar income

	1999	1998
	£	£
Income from subsidiary undertakings	80,000	80,000
Bank interest	2,341	3,459
	<u> </u>	<u> </u>
	<u>82,341</u>	<u>83,459</u>

4 Taxation

	1999	1998
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1998 - 21%)	1,027	1,104
	<u> </u>	<u> </u>

REYKER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1999

5 Tangible fixed assets

	Land and buildings	Other tangible fixed assets	Total
	£	£	£
Cost			
At 1 January 1999 & at 31 December 1999	11,000	20,600	31,600
Depreciation			
At 1 January 1999	-	9,012	9,012
Charge for the year	-	2,897	2,897
At 31 December 1999	-	11,909	11,909
Net book value			
At 31 December 1999	11,000	8,691	19,691
At 31 December 1998	11,000	11,588	22,588

REYKER INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1999**

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 January 1999 & at 31 December 1999	665,363

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
H & F Securities Limited	England & Wales	Ordinary	100
Reyker Properties Limited	England & Wales	Ordinary	100
Reyker Securities Inc.	USA	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
H & F Securities Limited	405,312	13,120
Reyker Properties Limited	284,789	18,394
Reyker Securities Inc.	417,104	17,382

The subsidiaries are engaged in investment activities.

7 Debtors	1999 £	1998 £
Trade debtors	7,316	7,316
Amounts owed by group undertakings and undertakings in which the company has a participating interest	411,365	251,500
Other debtors	2,395	12,975
	<u>421,076</u>	<u>271,791</u>

REYKER INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1999**

8 Creditors: amounts falling due within one year	1999	1998
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	20,567	41,079
Taxation and social security	7,088	9,667
Other creditors	33,008	31,830
	<u>60,663</u>	<u>82,576</u>

9 Share capital	1999	1998
	£	£
Authorised		
400,000 Ordinary shares of £ 1 each	400,000	400,000
100 Deferred Shares of £ 1 each	100	100
	<u>400,100</u>	<u>400,100</u>
Allotted, called up and fully paid		
400,000 Ordinary shares of £ 1 each	400,000	400,000
100 Deferred Shares of £ 1 each	100	100
	<u>400,100</u>	<u>400,100</u>

10 Statement of movements on reserves	Share premium account	Profit and loss account
	£	£
Balance at 1 January 1999	122,344	467,693
Retained profit for the year	-	63,751
	<u>122,344</u>	<u>531,444</u>
Balance at 31 December 1999	122,344	531,444

11 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties.