

LYNCREST (1998) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2002

Registered Number 2016061



LYNCREST (1998) LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The financial statements have not been prepared on a going concern basis as the company did not trade during the year, which makes the going concern presumption in FRS 18 "Accounting Policies" inappropriate. Therefore, the financial statements have been prepared on a break-up basis, which has not had a material impact on the financial statements.

RESULTS AND DIVIDENDS

The results for the year and the proposed transfer from reserves are set out on page 4 of the financial statements. The directors do not recommend the payment of a dividend (2001 - £nil).

DIRECTORS AND THEIR INTERESTS

The following directors held office during the year:

RA Stevens
AS Rubin

No directors held any interests in the company during the year.

The interests of AS Rubin, who is also a director of the ultimate parent company, Pentland Group plc (formerly Robert Stephen Holdings plc), are shown in the annual report of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare financial statements 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 the period to that date. In preparing those financial statements the directors are required:

to select suitable accounting policies and then apply them consistently;

to make judgements and estimates that are reasonable and prudent;

to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements of the company comply with the Companies Act 1985. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

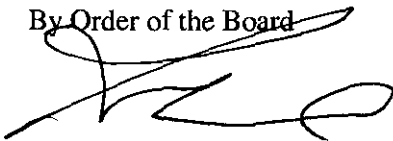
LYNCREST (1998) LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The company is not trading. The directors have relied on section 250 of the Companies Act 1985 not to appoint an auditor on the grounds that it is dormant.

By Order of the Board

A handwritten signature in black ink, appearing to be 'R A Stevens', written over the text 'By Order of the Board'.

R A Stevens
Secretary
21 March 2003

LYNCREST (1998) LIMITED

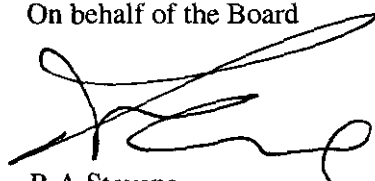
BALANCE SHEET AS AT 31 DECEMBER 2002

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> £
Current assets			
Debtors	3	27,950	27,950
		<u>27,950</u>	<u>27,950</u>
Current liabilities			
Creditors - amounts falling due within one year	4	1,858,877	1,858,877
Net current liabilities		<u>(1,830,927)</u>	<u>(1,830,927)</u>
Total assets less current liabilities		<u>(1,830,927)</u>	<u>(1,830,927)</u>
Capital and reserves			
Called up share capital	5	100	100
Profit and loss account		(1,831,027)	(1,831,027)
Total shareholders' funds (all attributable to equity interests)		<u>(1,830,927)</u>	<u>(1,830,927)</u>

The company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the financial year.

Approved by the Board on 21 March 2003

On behalf of the Board



R A Stevens

Director

The notes on page 4 form part of these financial statements.

LYNCREST (1998) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 ACCOUNTING POLICIES

Accounting convention The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern As stated in the Director's Report, the financial statements have been prepared on a break-up basis.

2 PROFIT AND LOSS ACCOUNT

The company did not trade during the financial year or the preceding financial year, and accordingly no profit and loss account is presented.

3 DEBTORS

	<u>2002</u> £	<u>2001</u> £
Amount due from fellow subsidiary undertakings	27,950	27,950

4 CREDITORS - amounts falling due within one year

	<u>2002</u> £	<u>2001</u> £
Amounts due to fellow subsidiary undertakings	1,858,877	1,858,877

5 CALLED UP SHARE CAPITAL

	<u>2002</u> £	<u>2001</u> £
Authorised 100,000 ordinary shares of 10p each	10,000	10,000
Allotted and fully paid 1,000 ordinary shares of 10p each	100	100

6 PARENT UNDERTAKINGS

The intermediate parent undertaking, Pentland Industries Limited, a company registered in England, has produced accounts for the year ended 31 December 2002 which will be available from Lakeside, Squires Lane, Finchley, London, N3 2QL. The ultimate parent undertaking is Pentland Group plc (formerly Robert Stephen Holdings Limited), a company registered in England. Consolidated accounts will be prepared by Pentland Group plc for the year ended 31 December 2002 and these will be obtainable from the company's registered office at 8 Manchester Square, London W1U 3PH.