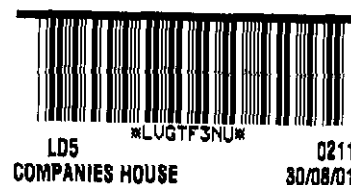


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LANDSTAR UK LIMITED
REPORT AND ACCOUNTS
PERIOD ENDED 31ST OCTOBER 2000

1.

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Registered office:
9 Mansfield Street,
London W1G 9NY

Registered in England and Wales
No. 2966280

DIRECTORS' REPORT

PERIOD ENDED 31ST OCTOBER 2000

The directors present their annual report and the audited accounts for the period ended 31st October 2000.

PRINCIPAL ACTIVITY

The principal activity of the company is that of property investment.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and the beneficial interests of those serving at the end of the period were as follows:

	Ordinary shares of £1 each	
	<u>31.10.00</u>	<u>30.09.99</u>
T.W. Flint	8	8
A.F. Flint	7	7

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those accounts 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 accounts 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 accounts 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.

AUDITORS

Daniel Auerbach & Company, Chartered Accountants, have expressed their willingness to continue as auditors.

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

On behalf of the board of directors

T.W. Flint
Director

23rd August 2001

LANDSTAR UK LIMITED
AUDITORS' REPORT
PERIOD ENDED 31ST OCTOBER 2000

3.

AUDITORS' REPORT TO THE MEMBERS OF LANDSTAR UK LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), 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 accounts. 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st October 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

9 Mansfield Street,
London W1G 9NY



Daniel Auerbach & Company

23rd August 2001

Chartered Accountants and Registered Auditors

LANDSTAR UK LIMITED
 PROFIT AND LOSS ACCOUNT
 PERIOD ENDED 31ST OCTOBER 2000

4.

	<u>Note</u>	01.10.99 to <u>31.10.00</u>	01.10.98 to <u>30.09.99</u>
Turnover	2	236749	160569
Administrative expenses		(86991)	(70055)
Operating profit	3	149758	90514
Profit/(loss) on disposal of fixed assets		38342	(20281)
Interest payable and similar charges		(100909)	(79173)
Profit/(loss) on ordinary activities before taxation		87191	(8940)
Tax on profit/(loss) on ordinary activities		-	-
Profit/(loss) for the financial period		87191	(8940)
Balance brought forward		<u>5988</u>	<u>14928</u>
Balance carried forward		£ 93179	£ 5988
		=====	=====

The notes on pages 6 to 8 form part of these accounts

LANDSTAR UK LIMITED
BALANCE SHEET
AS AT 31ST OCTOBER 2000

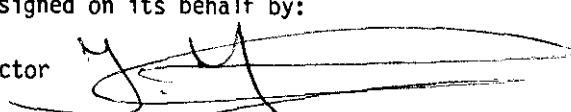
5.

	<u>Note</u>	<u>31.10.00</u>	<u>30.09.99</u>
<u>FIXED ASSETS</u>			
Tangible assets	4	967571	1135360
Investments	5	234436	217656
<u>CURRENT ASSETS</u>			
Trade and other debtors	6	218350	29861
		=====	=====
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Bank loans and overdrafts - secured		104184	75974
Trade and other creditors	7	<u>285076</u>	<u>204103</u>
		389260	280077
		=====	=====
<u>NET CURRENT LIABILITIES</u>		(170910)	(250216)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		1031097	1102800
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>			
	8	(937898)	(1096792)
		£ 93199	£ 6008
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	20	20
Profit and loss account		<u>93179</u>	<u>5988</u>
<u>SHAREHOLDERS' FUNDS</u>		£ 93199	£ 6008
		=====	=====

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the Board of Directors on 23rd
August 2001 and signed on its behalf by:

T.W. Flint, director



The notes on pages 6 to 8 form part of these accounts

NOTES TO THE ACCOUNTS

PERIOD ENDED 31ST OCTOBER 2000

1. ACCOUNTING POLICIES

a) Accounting convention:

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

b) Turnover:

Turnover represents amounts receivable, excluding Value Added Tax, for services provided.

c) Tangible fixed assets:

Land and buildings:

In accordance with the Financial Reporting Standard for Smaller Entities, depreciation is not charged on freehold and long leasehold investment properties. This treatment is a departure from the Companies Act 1985, which requires all fixed assets to be depreciated. This departure is, in the opinion of the directors, necessary for the accounts to give a true and fair view as the properties are not held for consumption, but for their investment potential and to depreciate them would not give a true and fair view. The directors consider that valuations at cost result in the accounts giving a true and fair view.

Other tangible fixed assets are depreciated at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Furniture, fittings and equipment	- 10% reducing balance.
Motor vehicles	- 25% straight line.

d) Investments:

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

2. TURNOVER

Turnover represents rental income derived from investment properties situated in the U.K.

3. OPERATING PROFIT

01.10.99	01.10.98
to	to
<u>31.10.00</u>	<u>30.09.99</u>

Operating profit is stated after charging:

Directors' remuneration	16759	15844
Depreciation	5817	5868
Audit fees	3000	3000
Finance lease charges	1071	988
	=====	=====

cont/d...

LANDSTAR UK LIMITED
NOTES TO THE ACCOUNTS
PERIOD ENDED 31ST OCTOBER 2000

7.

4. <u>TANGIBLE FIXED ASSETS</u>	<u>Land and buildings</u>		<u>Motor vehicles</u>	<u>Furniture, fittings, & equipment</u>	<u>Total</u>
	<u>Freehold</u>	<u>Long leasehold</u>			
Cost:					
At 1st October 1999	819161	290122	15275	23885	1148443
Additions	-	-	-	1686	1686
Disposals	(161374)	-	-	(2791)	(164165)
At 31st October 2000	657787	290122	15275	22780	£ 985964
	=====	=====	=====	=====	=====
Depreciation:					
At 1st October 1999	-	-	7638	5445	13083
Provision	-	-	3899	1918	5817
Disposals	-	-	-	(507)	(507)
At 31st October 2000	-	-	11537	6856	£ 18393
	=====	=====	=====	=====	=====
Net book value:					
At 31st October 2000	657787	290122	3738	15924	£ 967571
	=====	=====	=====	=====	=====
At 30th September 1999	819161	290122	7637	18440	£ 1135360
	=====	=====	=====	=====	=====

The net book value of land and buildings relates to investment properties. The net book value of motor vehicles comprises of a motor van held under a finance lease.

5. <u>INVESTMENTS</u>	<u>Other investments other than loans</u>	<u>Total</u>
Cost:		
At 1st October 1999	217656	217656
Additions	16780	16780
At 31st October 2000	234436	£ 234436
	=====	=====

The investments comprise of second hand life insurance policies and related premiums.

6. <u>TRADE AND OTHER DEBTORS</u>	<u>31.10.00</u>	<u>30.09.99</u>
Trade debtors	188273	-
Other debtors	30077	29861
	£ 218350	£ 29861
	=====	=====

cont/d...

LANDSTAR UK LIMITED
NOTES TO THE ACCOUNTS
PERIOD ENDED 31ST OCTOBER 2000

8.

7. <u>TRADE AND OTHER CREDITORS</u>	<u>31.10.00</u>	<u>30.09.99</u>
Trade creditors	980	980
Obligations under finance lease	3594	3594
Other creditors	259260	188212
Accruals	<u>21242</u>	<u>11317</u>
	£ 285076	£ 204103
	=====	=====

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Bank loans	937000	1092000
Debts under finance lease	<u>898</u>	<u>4792</u>
Debts due after more than one year	£ 937898	£ 1096792
	=====	=====
Debts due after more than one year:		
- repayable between 1-5 years	898	4792
- repayable in 5 years or more	<u>937000</u>	<u>1092000</u>
	£ 937898	£ 1096792
	=====	=====

The bank loan of £937000 is repayable in one amount by 30th July 2013.

9. <u>CALLED UP SHARE CAPITAL</u>	<u>31.10.00</u>	<u>30.09.99</u>
Authorised - 1000 ordinary shares of £1 each	£ 1000	£ 1000
	=====	=====
Allotted, called up and fully paid - 20 ordinary shares of £1 each	£ 20	£ 20
	=====	=====

10. SECURITY FOR BORROWINGS

The company's bankers have charges over certain investments and freehold and leasehold properties.