

MATRIX PROPERTY INVESTMENT LIMITED

AUDITORS' REPORT UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 and 3, together with the financial statements of the company for the period 5th March 2001 to 28th February 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 and 3 are properly prepared in accordance with those provisions.



PARKER GRADWELL & CO.

Chartered Accountants & Registered Auditors

17 Chapel Street, Hyde, Cheshire.

Date 29th April 2002



MATRIX PROPERTY INVESTMENT LIMITEDABBREVIATED BALANCE SHEET AT 28th FEBRUARY 2002

	<u>Note</u>	<u>2002</u> £
<u>CURRENT ASSETS</u>		
Investment in subsidiary Companies	2	2
Stock of trading properties		868,151
Debtors		<u>135,218</u>
		1,003,371

CREDITORS

Amounts falling due within one year:

Bank loan (secured)	541,860	
Other creditors	<u>242,404</u>	<u>784,264</u>
NET CURRENT ASSETS		<u>219,107</u>

CAPITAL AND RESERVES

Called up share capital	3	90
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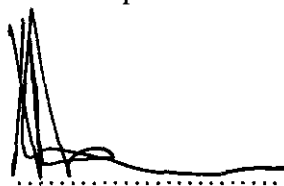
RESERVES

Profit and loss account		<u>219,017</u>
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SHAREHOLDERS' FUNDS		<u>219,107</u>
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The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 29th April 2002 and signed on its behalf by:

 - Director

MATRIX PROPERTY INVESTMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD 5th MARCH 2001 TO 28th FEBRUARY 2002

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted are set out below.

(b) Stock of trading properties

The stock of trading properties is included at the lower of cost or net realisable value.

(c) Pensions

Pension contributions are charged to the profit and loss account in the period in which they are incurred.

2. INVESTMENT IN SUBSIDIARY COMPANIES

The Company holds 100% of the issued share capital of the following companies:

Matrix Property Investment (Manchester1) Limited – Property trading

Matrix Property Investment (Huddersfield) Limited – Property trading

3. CALLED UP SHARE CAPITAL

Authorised

1,000 ordinary shares of £1 each	<u>1,000</u>
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Allotted, Issued and Fully Paid

60 a ordinary shares of £1 each	60
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30 b ordinary shares of £1 each	<u>30</u>
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	<u>90</u>
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During the period the company allotted 60 a ordinary shares of £1 each for a consideration of £60 and 30 b ordinary shares of £1 each for a consideration of £30.

4. RELATED PARTY DISCLOSURES

Using the exemption available to subsidiary companies related party transactions with Group Companies have not been disclosed.

5. GROUP ACCOUNTS

The accounts present information about the company as an individual undertaking and not about its group.

Group accounts are not required because the company is included in the accounts of a larger EEC Group. The parent company filing consolidating accounts is The Hollins Murray Group Limited.