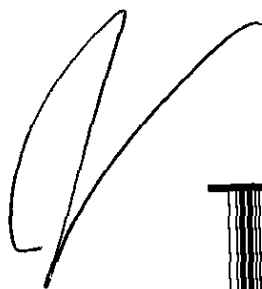
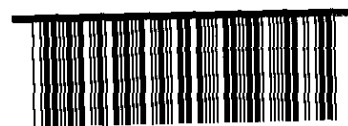


BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

COMPANY REGISTRATION NUMBER 86806

A large, stylized handwritten signature in black ink, consisting of a large loop followed by a long, sweeping stroke.

SCT S1RLWZCT 0027
COMPANIES HOUSE 29/03/01

**BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED
REPORT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2000**

REVIEW OF THE BUSINESS AND RESULTS

The Company has not traded during the current year.

The audited financial statements together with relevant notes and report of the auditors are shown on pages 3 to 6. As the Company has no trading income and expenditure, no profit and loss account has been prepared.

DIRECTORS AND THEIR INTERESTS


Directors :	J Nickson	B Comm FCA ACII
	E Mirner	B Acc CA

No Director held any beneficial interest in the share capital of the Company or any group company.

AUDITORS

A resolution for the reappointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD


D A Wagner Secretary

15 March 2001

Registered Office:
Britannic Court
50 Bothwell Street
Glasgow G2 6HR

BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED
STATEMENT OF 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ensuring appropriate accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure 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.

**AUDITORS' REPORT TO THE MEMBERS OF
BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2000**

We have audited the financial statements on pages 4 to 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The company's directors are responsible for the preparation of financial statements which meet the requirements of company law and accounting standards. 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 AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes the 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 of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit as to obtain reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. 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 at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Registered Auditor
Chartered accountants

24 Blythswood Square
Glasgow
G2 4QS

15 March 2001

BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
CAPITAL AND RESERVES			
Share Capital	4	100,000	100,000
Profit and Loss Account	3	<u>(100,000)</u>	<u>(100,000)</u>
Total Shareholders Funds - Equity		<u>-</u>	<u>-</u>

The notes on pages 5 to 6 are an integral part of these Financial Statements.

The financial statements were approved by the Directors on 15 March 2001.



E Mirner Director

15 March 2001

BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FOR THE YEAR ENDED 31 DECEMBER 2000

1. ACCOUNTING POLICIES

1.1 The financial statements are prepared under the historical cost convention in compliance with the Companies Act 1985, and in accordance with applicable Accounting Standards.

1.2 The company is exempt from the requirement to produce a Cash Flow Statement in accordance with FRS1 (Revised) as it complies with the criteria for a small company.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by Britannic Investment Managers Limited.

None of the Directors received any emoluments in respect of their services to the Company in the current or prior year.

3. PROFIT AND LOSS ACCOUNT

	<u>2000</u> £	<u>1999</u> £
Balance at 1 January	(100,000)	(100,000)
Retained Profit for year	-	-
Balance at 31 December	<u>(100,000)</u>	<u>(100,000)</u>

BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FOR THE YEAR ENDED 31 DECEMBER 2000

4. SHARE CAPITAL

	<u>Authorised Number</u>	<u>Issued and Fully Paid Number</u>	<u>£</u>
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>100,000</u>	<u>100,000</u>

There was no movement in the authorised and issued share capital during the year.

5. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2000 £</u>	<u>1999 £</u>
Total recognised gains and losses	-	-
Shareholders' Funds at 1 January	<u>-</u>	<u>-</u>
Shareholders' Funds at 31 December	<u>-</u>	<u>-</u>

6. RELATED PARTIES

There were no significant contracts between the Company and Directors or persons connected with them during the year.

As the company is a subsidiary undertaking, related party transactions with fellow group undertakings have not been disclosed as permitted by Financial Reporting Standard 8 "Related Party Disclosures".

7. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Britannic Investment Managers Limited which is a body incorporated in Scotland. The Company's ultimate parent undertaking is Britannic plc which is a body registered in England.

A copy of the financial statements of Britannic plc is available from :-

1 Wythall Green Way
Wythall
Birmingham
B47 6WG