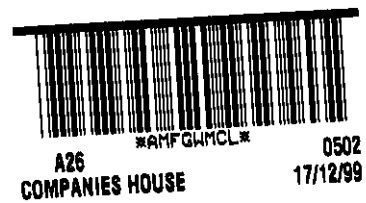


HOULTS LIMITED

ANNUAL REPORT

31 MARCH 1999

Company Number 286057



HOULTS LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 1999

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HOULTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999

The directors submit their annual report and financial statements of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is dormant and has not traded during the year has not incurred any liabilities and consequently, has made neither profit or loss. The directors who served during the year (as listed below) did not receive any emoluments in respect of their services to the company.

DIRECTORS AND THEIR INTERESTS

	<u>£1 Ordinary shares</u>	
	31 March 1999	31 March 1998
F W Hoult (Chairman)	1	1
Mrs P A Hoult	=	=

In accordance with the company's Articles of Association, Mrs PA Hoult retires by rotation and, being eligible, offers herself for re-election. The interests of the directors in the holding company, Hoult Holding Limited at 31 March 1999 and 31 March 1998 are detailed in that company's annual report.

YEAR 2000

The directors are aware of the issues that may arise as a result of the year 2000 problem with both computer systems and date-aware microchip based equipment. The directors have considered the implications of these issues and are satisfied that there will be no significant impact on the operations of the company.

HOULTS LIMITED

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

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 those financial statements, the directors are required to

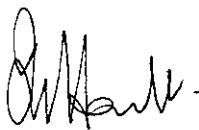
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 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.

AUDITORS

The company has passed a resolution under Section 250 (1) of the Companies Act 1985 and is therefore exempt from the requirement to appoint auditors.

On behalf of the Board



F W Hoult
Chairman

6 August 1999

HOULTS LIMITED

PROFIT AND LOSS ACCOUNT

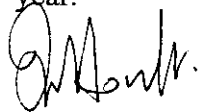
During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

BALANCE SHEET AS AT 31 MARCH 1999

	<u>1999</u>		<u>1998</u>	
	£	£	£	£
FIXED ASSET INVESTMENTS (Note 2)		360,818		360,818
CURRENT ASSETS				
Debtors (Note 3)		89,720		89,720
CREDITORS' (amounts falling due within one year (Note 4)		(3,899)		(3,899)
NET CURRENT ASSETS		<u>85,821</u>		<u>85,821</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>445,639</u>		<u>445,639</u>
CAPITAL AND RESERVES				
Called up share capital (Note 5)		21,588		21,588
Profit and loss account (Note 6)		<u>425,051</u>		<u>425,051</u>
EQUITY SHAREHOLDERS' FUNDS		<u>446,639</u>		<u>446,639</u>

The financial statements on pages 3 to 5 were approved by the directors on 6 August 1999 and are signed below.

The company was dormant throughout the financial year and the preceding financial year.



F W Hoult
Director

The notes on pages 4 and 5 form part of these accounts.

HOULTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

1 ACCOUNTING POLICIES

(a) Accounting convention

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

(b) Fixed asset investments

The company's investments are stated at cost, except where, in the opinion of the directors, there is a permanent impairment in value.

(c) Cashflow statement

The company has not prepared a cashflow statement as it has taken advantage of the exemption available under the Companies Act 1985 for small groups.

2 FIXED ASSET INVESTMENTS

	1999 £	1998 £
Loan to Hoult Holdings Limited	<u>360,818</u>	<u>360,818</u>

The loan to Hoult Holdings Limited is interest-free and is repayable at a date to be mutually agreed, subject to at least twelve months' notice being given by Hoult Limited.

3 DEBTORS

	1999 £	1998 £
Amounts owed by parent undertaking	<u>89,720</u>	<u>89,720</u>

HOULTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

4 CREDITORS (amounts falling due within one year)

	1999 £	1998 £
Amounts owed to fellow subsidiary undertakings	<u>3,899</u>	<u>3,899</u>

The company has entered into cross-guarantees to secure bank borrowings by other group undertakings.

5 CALLED UP SHARE CAPITAL

	<u>31 March 1999 and 1998</u>	
	Authorised £	Allotted and fully paid £
5% Preference shares of £1	5,000	1,000
Ordinary shares of £1	14,706	10,294
Deferred ordinary shares of £1	<u>10,294</u>	<u>10,294</u>
	<u>30,000</u>	<u>21,588</u>

6 PROFIT AND LOSS ACCOUNT

	£
At 1 April 1999 and 31 March 1999	<u>425,051</u>

7 ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Hoult's Holdings Limited, a company registered in England. Copies of the accounts of Hoult's Holdings Limited are available from Ford Depositories, Walker Road, Newcastle upon Tyne.