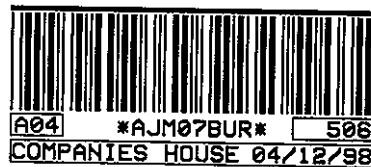


Alsam Limited

Directors' report and financial statements

For the year ended 31 March 1998

Registered number 461238



Directors' report and financial statements

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Directors' report

The directors present herewith their report and financial statements for the year ended 31 March 1998.

Business review

The company has not traded during the year, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss.

Parent companies

The company's parent company is City and Country Properties (Midlands) Limited and its ultimate parent company is Daejan Holdings PLC. Copies of the financial statements of the ultimate parent company may be obtained from Daejan Holdings PLC, Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR. Both companies are registered in England.

Daejan Holdings PLC is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Directors

Mr BSE Freshwater and Mr D Davis served as directors throughout the year.

Directors' shareholdings

Neither the directors nor any member of their families have any interest in the share capital of the company or its subsidiary.

The interests of the directors in other group companies are disclosed in the financial statements of the ultimate parent company.

By order of the board



CC Morse

Secretary
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

23.11.98



KPMG Audit Plc
2 Cornwall Street
Birmingham
B3 2DL

Auditors' Report to the members of Alsam Limited

We have audited the financial statements on pages 3 and 4.

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 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 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 so 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 as at 31 March 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

23rd November 1998

*Chartered Accountants
Registered Auditor*

Balance sheet
at 31 March 1998

| | <i>Note</i> | 1998 £ | 1997 £ |
|--------------------------------------|-------------|---------------|---------------|
| Fixed assets | | | |
| Shares in group undertakings at cost | <i>1</i> | 1,500 | 1,500 |
| Current assets | | | |
| Amounts owed by group undertakings | | 25,075 | 25,075 |
| | | <u>26,575</u> | <u>26,575</u> |
| Capital and reserves | | | |
| Called up share capital | <i>3</i> | 100 | 100 |
| Profit and loss account | <i>4</i> | 26,475 | 26,475 |
| | | <u>26,575</u> | <u>26,575</u> |

These financial statements were approved by the board of directors on 23 November 1998 and were signed on its behalf by:


BSE Freshwater

D Davis
Directors

Notes

(forming part of the financial statements)

1 Investment in group undertaking

The company owns the whole of the allotted ordinary share capital in Mineral and General Investments Limited.

No group accounts are submitted as the company, being a wholly owned subsidiary of another body corporate, is exempt under Section 229(2) of the Companies Act 1985.

The group undertaking did not trade during the year.

In the opinion of the directors, the value of the company's investment in its subsidiary is not less than the amount at which it is stated in the balance sheet.

2 Properties

The company has a legal title to certain properties which have been transferred to its immediate parent company and included in the financial statements of that company.

3 Called up share capital

| | 1998 | 1997 |
|--------------------------------------------|-------|-------|
| | £ | £ |
| <i>Authorised:</i> | | |
| 100 ordinary shares of £1 each | 100 | 100 |
| | <hr/> | <hr/> |
| <i>Allotted, called up and fully paid:</i> | | |
| 100 ordinary shares of £1 each | 100 | 100 |
| | <hr/> | <hr/> |

4 Profit and loss account

The company has not traded during the year, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss.

5 Parent companies

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