

SEAGLEN INVESTMENTS LIMITED

Company No: 616559

FINANCIAL STATEMENTS

for the year ended

31ST MARCH 1999

**COHEN, ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1X 2JP**



SEAGLEN INVESTMENTS LIMITED

DIRECTORS

B S E Freshwater
D Davis

SECRETARY

C C Morse F.C.I.S.

REGISTERED OFFICE

Freshwater House
158-162 Shaftesbury Avenue
LONDON WC2H 8HR

AUDITORS

Cohen, Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

SEAGLEN INVESTMENTS LIMITED
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FOR THE YEAR ENDED 31ST MARCH 1999

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SEAGLEN INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report, together with the Financial Statements of the Company for the year ended 31st March 1999.

BUSINESS REVIEW

The principal activity of the Company is property trading. There has been no significant change in the nature of the Company's business activities during the year under review, nor is any envisaged in the immediate future.

RESULTS AND DIVIDEND

The results for the year are set out in the attached Financial Statements and Explanatory Notes. An interim dividend of £45,000 (1998: £10,000) has been paid. The Directors do not recommend the payment of a final dividend.

PROPERTIES

The Company's trading properties were professionally valued on 31st March 1997 and, at that time had a surplus over book value which was not incorporated in the Financial Statements. The Directors are satisfied that at 31st March 1999, properties held for trading still had a value substantially in excess of their book value.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served throughout the year and who are still in office are:

Mr B S E Freshwater
Mr D Davis

The Articles of Association of the Company do not require the Directors to retire by rotation.

Neither Director has a service contract, nor do they receive any emoluments from the Company.

Day to day management of the Company's property is carried out by Highdorn Co. Limited and Freshwater Property Management Limited. Mr B S E Freshwater is a Director of both Companies and has a non-beneficial interest in the share capital of Highdorn Co. Limited. Mr B S E Freshwater and Mr D Davis are also Governors of the Parent Undertaking of Freshwater Property Management Limited but have no beneficial interest in either company.

The whole of the issued share capital of the Company is owned by The Bampton Property Group Limited. At 31st March 1999 neither of the Directors had any interest in the share and loan capital of the Company, the Company's Parent Undertaking or any Subsidiary of the Company's Parent Undertaking.

The interests of the Directors, and those of their families and family trusts, in the share capital of Daejan Holdings PLC, the Ultimate Parent Undertaking, are set out in the Directors' Report of that Company.

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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent

SEAGLEN INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

(Continued)

DIRECTORS' RESPONSIBILITIES (Cont.)

- iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) 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 maintaining 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.

DONATIONS

During the year the Company made no charitable donation nor political contribution.

INCOME AND CORPORATION TAXES ACT 1988

The Directors are advised that the Company is a close company within the meaning of the Act.

MILLENNIUM ISSUES

The Company is carrying out a detailed review of all its internal systems with the object of ensuring that they will be Year 2000 compliant. Updating those systems that are not already Year 2000 compliant is progressing well and will be completed shortly.

The costs of updating systems that are not already Year 2000 compliant are not anticipated to be significant.

The Company is also well advanced with carrying out a review of the systems within its properties in order to eliminate any problems relating to the continuity of services which it provides. We have now completed the necessary surveys and risk assessments and any action required has been or will be carried out shortly. The Company is writing to all tenants with full repairing and insuring leases informing them of their responsibility for ensuring Year 2000 compliance. The Company has also written to its major suppliers seeking confirmation of their approach in dealing with this issue.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the Board to fix their remuneration will be proposed at the Annual General Meeting.

Head Office:
Freshwater House
158-162 Shaftesbury Avenue
London WC2H 8HR

Date: 27 August 1999

BY ORDER OF THE BOARD



C.C. MORSE
SECRETARY

REPORT OF THE AUDITORS, COHEN, ARNOLD & CO

TO THE MEMBERS

-OF-

SEAGLEN INVESTMENTS LIMITED

We have audited the Financial Statements set out on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As indicated in the Directors' Report, the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on the Financial Statements and to report our opinion to you.

BASIS OF OPINION

We have 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 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.

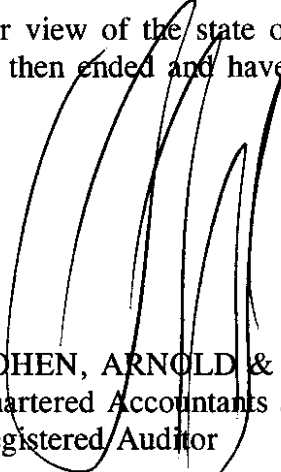
We have planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence and to give reasonable assurance that the Financial Statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

OPINION

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Company at 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

Date: 27 August 1999


COHEN, ARNOLD & CO
Chartered Accountants and
Registered Auditor

SEAGLEN INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1999

	Note	<u>1999</u>	<u>1998</u>
		£	£
Property Sales		94,268	47,950
Cost of Sales		(9,757)	(7,110)
		<hr/>	<hr/>
		84,511	40,840
Rents and Charges Receivable		28,803	29,029
Property Outgoings		(19,633)	(21,965)
		<hr/>	<hr/>
		9,170	7,064
Administrative Expenses	2	(3,500)	(3,500)
		<hr/>	<hr/>
OPERATING PROFIT		90,181	44,404
Interest Payable	3	(21,000)	(25,000)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		69,181	19,404
Taxation	4	(18,603)	(3,825)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		50,578	15,579
Interim Dividend Paid		(45,000)	(10,000)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	8	£5,578	£5,579
		<hr/>	<hr/>

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The notes on pages 7 to 10 form part of these Financial Statements.

SEAGLEN INVESTMENTS LIMITED

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 31ST MARCH 1999

	<u>1999</u> £	<u>1998</u> £
Profit for the Year after Taxation	50,578	15,579
Dividends Paid	(45,000)	(10,000)
	<hr/>	<hr/>
Net Increase in Shareholders' Funds	5,578	5,579
Shareholders' Funds Brought Forward	126,293	120,714
	<hr/>	<hr/>
Shareholders' Funds Carried Forward	£131,871	£126,293
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SEAGLEN INVESTMENTS LIMITED
BALANCE SHEET AS AT 31ST MARCH 1999

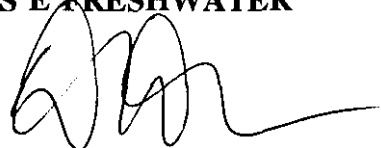
	Note	<u>1999</u> £	<u>1998</u> £
CURRENT ASSETS			
Properties held for Trading	1	414,664	424,421
Debtors	5	19,282	13,797
		<hr/>	<hr/>
		433,946	438,218
CREDITORS: Amounts falling due within one year	6	(302,075)	(311,925)
		<hr/>	<hr/>
NET ASSETS		£131,871	£126,293
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Equity Share Capital		100	100
Non-Equity Share Capital		100	100
		<hr/>	<hr/>
Called up Share Capital	7	200	200
Profit and Loss Account	8	131,671	126,093
		<hr/>	<hr/>
		£131,871	£126,293
		<hr/> <hr/>	<hr/> <hr/>

These Financial Statements were approved by the Board of Directors on 27 August 1999 and signed on its behalf by:

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B S E FRESHWATER

DIRECTORS

.....

D DAVIS

The notes on pages 7 to 10 form part of these Financial Statements.

SEAGLEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

1. PRINCIPAL ACCOUNTING POLICIES

The following Accounting Policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

1.2 PROPERTIES HELD FOR TRADING

These properties are stated at the lower of cost and net realisable value.

1.3 ACQUISITIONS AND DISPOSALS OF PROPERTIES

Acquisitions and disposals are considered to have taken place at the date of legal completion.

1.4 CASH FLOW STATEMENT

Under Financial Reporting Standard No. 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly - owned Subsidiary Undertaking of a Parent Undertaking registered in England and Wales, which prepared consolidated Financial Statements that include a consolidated cash flow statement.

1.5 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions in Financial Reporting Standard number 8 "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other Daejan Holdings Plc Group Companies.

2. ADMINISTRATIVE EXPENSES

	<u>1999</u>	<u>1998</u>
	£	£
Audit Fees	<u>£3,500</u>	<u>£3,500</u>

The Directors of the Company received no remuneration during the year or in the preceding year.

Apart from the Directors there were no other employees of the Company during the year or in the preceding year.

SEAGLEN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

3. INTEREST PAYABLE

	<u>1999</u> £	<u>1998</u> £
Group Interest Payable	<u>£21,000</u>	<u>£25,000</u>

4. TAXATION

	<u>1999</u> £	<u>1998</u> £
Taxation based on Profit for the year:		
Corporation Tax at 31% (1998: 31%)	<u>£18,603</u>	<u>£3,825</u>

5. DEBTORS

	<u>1999</u> £	<u>1998</u> £
Rents and Charges Receivable	10,732	12,398
Other Debtors and Prepayments	8,550	1,399
	<u>£19,282</u>	<u>£13,797</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1999</u> £	<u>1998</u> £
Rents and Charges Charged in Advance	3,305	3,305
Corporation Tax	18,603	3,825
Amount due to Immediate Parent Undertaking	253,260	274,080
Amount due to Intermediate Parent Undertaking	21,000	25,000
Other Creditors and Accruals	5,907	5,715
	<u>£302,075</u>	<u>£311,925</u>

SEAGLEN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

7. CALLED UP SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
	£	£
<u>Authorised, Allotted, Called up and Fully Paid:</u>		
100 Ordinary Shares of £1 each	100	100
100 Deferred Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>
	£200	£200
	<hr/>	<hr/>

Other than the Deferred Ordinary Shares, funds relate exclusively to equity Shareholders' interests.

The Deferred Ordinary Shares rank after the Ordinary Shares up to their nominal amount. Any excess reserves thereafter are distributed amongst ordinary shareholders only.

8. PROFIT AND LOSS ACCOUNT

	£
At 1st April 1998	126,093
Profit for the Financial Year	5,578
	<hr/>
At 31st March 1999	£131,671
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SEAGLEN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

9. DIRECTORS' INTEREST IN CONTRACTS

Day to day management of the Companies properties are carried out by Freshwater Property Management Limited, a member of the Freshwater Group of Companies with which this Company is closely associated. Mr B.S.E. Freshwater is also a Director of the aforementioned company. Mr B.S.E. Freshwater and Mr D. Davis are also Governors of the parent undertaking of Freshwater Property Management Limited but have no beneficial interest in either Company.

The amounts paid for the provision of management services charged for at normal commercial rate were £793 (1998 : £4,420)

10. ULTIMATE PARENT UNDERTAKING

The Company's Ultimate Parent Undertaking is Daejan Holdings PLC, a company incorporated in the United Kingdom and registered in England and Wales.

The Parent Undertaking of the largest group of undertakings for which group Financial Statements are drawn up is Daejan Holdings PLC and the Parent of the smallest group of undertakings for which group Financial Statements are drawn up is Bampton Holdings Limited.

Copies of these Financial Statements can be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR.