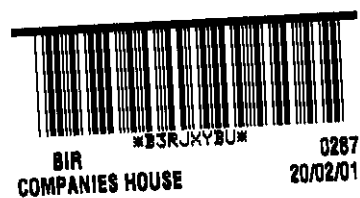


BELFONT HOMES (BIRMINGHAM) LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2000

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BELFONT HOMES (BIRMINGHAM) LIMITED

DIRECTORS	Albert J Mucklow ACIS Rupert J Mucklow BSc Allan J Mucklow D Bromley ACIS P M Pethebridge
SECRETARY	D Bromley ACIS
REGISTERED OFFICE	Haden Cross Halesowen Road Cradley Heath West Midlands B64 7JB
REGISTERED NUMBER	00716333 England and Wales
AUDITORS	Deloitte & Touche Colmore Gate 2 Colmore Row Birmingham B3 2BN

ANNUAL REPORT AND ACCOUNTS - 30 JUNE 2000

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	5	Directors' Shareholdings
	6	Report of the Auditors
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	9	Reconciliation of Movement in Shareholders' Funds
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BELFONT HOMES (BIRMINGHAM) LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Annual Report and the Audited Accounts of the company for the year ended 30 June 2000.

ULTIMATE PARENT COMPANY

The company is the wholly owned subsidiary undertaking of the ultimate parent company A & J Mucklow Group plc registered number 00717658 in England and Wales.

PRINCIPAL ACTIVITY

The principal activity of the company has been that of property development.

REVIEW OF THE DEVELOPMENT OF BUSINESS

The business was not active during the year.

PROFITS AND DIVIDENDS

The results are set out in the Profit and Loss Account. A dividend of £801,300 was paid during the year.

DIRECTORS

The Directors who served throughout the year were Messrs Albert J Mucklow, Allan J Mucklow, Rupert J Mucklow, P M Petherbridge and D Bromley.

The interests of the Directors in the Share Capital and Debenture Stocks of the parent company are set out on page 5.

BELFONT HOMES (BIRMINGHAM) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

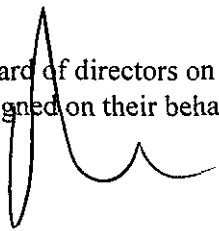
- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Follow applicable accounting standards subject to any material departures disclosed and explained in the accounts
- Prepare the accounts on the going concern basis 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 accounts 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

Deloitte & Touche will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Approved by the board of directors on 29 September 2000
and signed on their behalf by:


Derick Bromley
Company Secretary

BELFONT HOMES (BIRMINGHAM) LIMITED

DIRECTORS' SHAREHOLDINGS

Particulars of the directors' shareholdings, as defined by Section 324 of the Companies Act 1985, in the share capital of the parent company are as follows:

	Ordinary Shares	
	At 30.6.00	at 30.6.99
Albert J Mucklow	3,552,784 (a)	3,554,568 (a)
Rupert J Mucklow	983,717	975,551
Allan J Mucklow	4,012,799	4,012,799
D Bromley	4,816	3,180
P M Petherbridge	2,612,168 (b)	2,612,168 (b)

The holdings marked (a) and (b) include non-beneficial interests in 2,806,994 and 2,598,402 Ordinary shares respectively.

None of the above directors had any beneficial interest in the preference shares or the debentures of the holding company or in the shares of Belfont Homes (Birmingham) Limited at either 30 June 1999 or 30 June 2000.

BELFONT HOMES (BIRMINGHAM) LIMITED
REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
BELFONT HOMES (BIRMINGHAM) LIMITED

We have audited the accounts on pages 7 to 11, which have been prepared under the accounting policies set out on page 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom 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 United Kingdom 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 circumstances of the company consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, 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 as at 30 June 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche
Chartered Accountants and Registered Auditors

Colmore Gate, 2 Colmore Row
Birmingham, B3 2BN

13 February 2001

BELFONT HOMES (BIRMINGHAM) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 £	1999 £
Gross rentals		-	-
Property outgoings		-	-
Profit on ordinary activities before taxation		-	-
Taxation		-	-
Profit on ordinary activities after taxation		-	-
Dividends	2	(801,300)	-
Retained loss for the financial year	6	<u>(801,300)</u>	<u>-</u>

All activities are derived from continuing operations.

There are no other recognised gains and losses for the current or previous financial year. Accordingly no statement of recognised gains and losses is given.

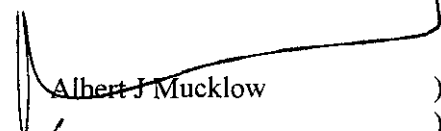
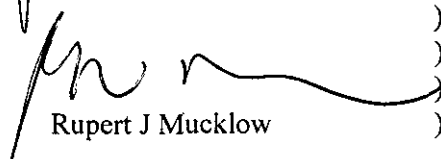
The notes on pages 10 to 11 form an integral part of these accounts.

BELFONT HOMES (BIRMINGHAM) LIMITED

BALANCE SHEET
AS AT 30 JUNE 2000

	Note	2000 £	1999 £
Current assets			
Debtors	3	20,035	821,335
Creditors: Amounts falling due within one year	4	(29)	(29)
Total assets less current liabilities		<u>20,006</u>	<u>821,306</u>
 Capital and reserves			
Called up share capital	5	20,004	20,004
Profit and loss account	6	2	801,302
Shareholders' funds		<u>20,006</u>	<u>821,306</u>
 Attributable to equity shareholders		10,004	811,304
Attributable to non-equity shareholders		10,002	10,002
		<u>20,006</u>	<u>821,306</u>

Approved by the Board on 29 September 2000


Albert J Mucklow)
)

Rupert J Mucklow)

Directors

The notes on pages 10 to 11 form an integral part of these accounts.

BELFONT HOMES (BIRMINGHAM) LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
AS AT 30 JUNE 200

	2000	1999
	£	£
Retained loss	(801,300)	-
Opening Shareholders' funds	821,306	821,306
Closing Shareholders' funds	<u>20,006</u>	<u>821,306</u>

BELFONT HOMES (BIRMINGHAM) LIMITED

NOTES TO THE ACCOUNTS

30 JUNE 2000

1) Accounting policies

(a) Basis

- (i) The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- (ii) The accounts are prepared in compliance with Section 230 and Schedule 4 of the Companies Act 1985.

2) Dividends

	2000 £	1999 £
4% Preference dividend including arrears	2,000	-
Ordinary dividend at a rate of £79.91 per share	799,300	-
	<u>801,300</u>	<u>-</u>

3) Debtors

	2000 £	1999 £
Amount due from ultimate parent company	<u>20,035</u>	<u>821,335</u>

4) Creditors: Amounts falling due within one year

	2000 £	1999 £
Corporation tax	<u>29</u>	<u>29</u>

BELFONT HOMES (BIRMINGHAM) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

30 JUNE 2000

5) Called up share capital

	2000	1999
	£	£
<u>Authorised</u>		
10,002 Preference Shares of £1 each	10,002	10,002
10,998 Ordinary Shares of £1 each	10,998	10,998
	<u>21,000</u>	<u>21,000</u>

The Preference and Ordinary Shares have equal voting rights in general meetings.

Allotted, called up and fully paid

Non-equity interest		
10,002 4% Preference Shares of £1 each	10,002	10,002
Equity interest		
10,002 Ordinary Shares of £1 each	10,002	10,002
	<u>20,004</u>	<u>20,004</u>

6) Profit and loss account

	£
As at 1 July 1999	801,302
Dividend paid	(801,300)
	<u>2</u>
As at 30 June 2000	

7) Contingent liabilities

All bank borrowings of the ultimate parent company and subsidiary undertakings are secured by interlocking cross guarantees. Across the Group companies, there were outstanding liabilities of £Nil under these guarantees at the year end.

8) Ultimate parent company and related party disclosures.

The ultimate Parent Company is A & J Mucklow Group plc, a company registered in England and Wales. Copies of the group financial statements of A & J Mucklow Group plc are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

As the company is a wholly owned subsidiary it has taken advantage of the exemption under Financial Reporting Standard No 8 "Related party disclosures" not to disclose transactions with other companies in the Group.