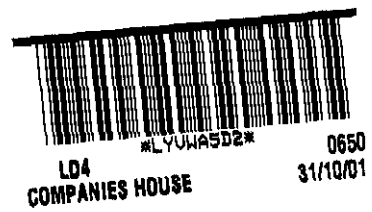


Company Registration No: 1885199

ADAMHILL LIMITED

Report and Financial Statements

31 December 2000



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
C J Barwick

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Stag Place
London SW1E 5DS

BANKERS

Barclays Bank PLC
50 Pall Mall
London SW1A 1QB

SOLICITORS

Linklaters
1 Silk Street
London EC2Y 8HQ

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2000.

PRINCIPAL ACTIVITY AND REVIEW OF DEVELOPMENTS

The principal activity of the company during the year and for the foreseeable future is the collection of licence fees and commissions.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend (1999: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office throughout the year were as follows:

S B Kay (resigned 20 July 2000)
M H Marx
C J Barwick (appointed 22 June 2000)

The interests of M H Marx and C J Barwick at 31 December 2000 in the 50p ordinary shares of Development Securities PLC and options granted to him under that company's share option scheme are disclosed in the 2000 Report and Financial Statements of that company.

PAYMENT POLICY

Amounts due to suppliers are settled promptly by Development Securities PLC on behalf of the company within their terms of payment, except in cases of dispute. The number of days creditors outstanding for the Development Securities PLC group at 31 December 2000 was four days (1999: five days).

AUDITORS

A resolution concerning the reappointment of Deloitte & Touche as auditors is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S A Lanes
Secretary

30th October 2001

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 as at the end of the financial year and of its profit or loss 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; and
- 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF ADAMHILL LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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.

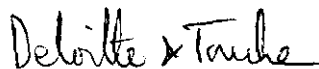
Basis of opinion

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 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 all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 the company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors

Hill House

1 Little New Street

London EC4A 3TR

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October 2001

ADAMHILL LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 December 2000

	Note	2000 £	1999 £
TURNOVER	1	1,349,509	1,344,643
Administrative expenses		<u>(1,804,197)</u>	<u>(1,252,464)</u>
(LOSS)/PROFIT BEFORE AND AFTER TAXATION FOR THE FINANCIAL YEAR	2,12	<u>(454,688)</u>	<u>92,179</u>

All turnover, profits and losses derive from continuing operations.

There are no recognised gains or losses during the current and preceding financial year other than as stated in the profit and loss account.

ADAMHILL LIMITED

BALANCE SHEET
31 December 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	6	404,355	672,532
Investments	7	<u>100</u>	<u>100</u>
		<u>404,455</u>	<u>672,632</u>
CURRENT ASSETS			
Debtors	8	1,020,346	338,472
Cash at bank and in hand		<u>43,739</u>	<u>1,061,886</u>
		1,064,085	1,400,358
CREDITORS: amounts falling due within one year	9	<u>(777,780)</u>	<u>(927,542)</u>
NET CURRENT ASSETS		<u>286,305</u>	<u>472,816</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>690,760</u>	<u>1,145,448</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000,100	1,000,100
Profit and loss account	12	<u>(309,340)</u>	<u>145,348</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>690,760</u>	<u>1,145,448</u>

These financial statements were approved by the Board of Directors on 30th October 2001.

Signed on behalf of the Board of Directors



M H Marx
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

1 ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention.

Deferred tax

Provision is made under the liability method for deferred tax resulting from short term timing differences between profits computed for tax purposes and those computed for accounts purposes. Provision is made for other timing differences only where a liability is expected to arise in the foreseeable future.

Turnover

All turnover, comprising licence fees and commissions receivable stated net of Value Added Tax, and pre-tax results derive from continuing operations in the United Kingdom.

Investments in subsidiaries

The shares in subsidiaries shown as fixed assets in the balance sheet of the company are included at cost, less any deficits arising from impairment, which are charged to the profit and loss account.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

Fixtures and fittings: 5% straight line on cost

Pension schemes

The charge to the profit and loss account in the year represents the actual amount paid to the director's personal pension scheme.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

Profit on ordinary activities is stated after charging:

	2000 £	1999 £
Depreciation	<u>50,061</u>	<u>48,609</u>

The auditors' remuneration for the current and preceding financial year has been borne by the ultimate parent company, Development Securities PLC.

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

3 STAFF COSTS (including directors)

	2000 £	1999 £
Wages and salaries	233,006	242,581
Social security costs	26,872	30,632
Other pension costs	<u>7,287</u>	<u>10,000</u>
	<u>267,165</u>	<u>283,213</u>

The average monthly number of employees during the year was:

	No.	No.
Office, management and sales	<u>9</u>	<u>9</u>

4 DIRECTORS' REMUNERATION

	2000 £	1999 £
Aggregate emoluments	<u>136,034</u>	<u>120,000</u>
Aggregate contributions to pension schemes	<u>7,287</u>	<u>10,000</u>
Number of directors for whom contributions have been paid	<u>1</u>	<u>1</u>

5 TAXATION

No taxation charge arises on the profit for the year due to the surrender of losses from other group companies for nil consideration.

6 TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost:	
At 1 January 2000	970,855
Additions	22,614
Disposals	<u>(272,654)</u>
At 31 December 2000	<u>720,815</u>
Depreciation:	
At 1 January 2000	298,323
Disposals	(31,924)
Charge for the year	<u>50,061</u>
At 31 December 2000	<u>316,460</u>
Net book value:	
At 31 December 2000	<u>404,355</u>
At 31 December 1999	<u>672,532</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

7 INVESTMENTS

	2000 £	1999 £
At cost at 1 January and 31 December 2000	<u>100</u>	<u>100</u>

The above represents a direct 100% equity holding in Pricebusters Limited, a company operating in the United Kingdom and registered in England and Wales, whose principal activity is the operation of a roller skating rink.

8 DEBTORS

	2000 £	1999 £
Amounts owed by ultimate parent company	408,191	-
Amounts owed by fellow subsidiary undertakings	242,965	224,540
Other debtors	321,914	61,850
Prepayments	<u>47,276</u>	<u>52,082</u>
	<u>1,020,346</u>	<u>338,472</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amounts owed to ultimate parent company	-	328,900
Amounts owed to fellow subsidiary undertakings	519,767	519,767
Other taxation and social security	6,238	30,632
Other creditors	124,151	10,798
Accruals and deferred income	<u>127,624</u>	<u>37,445</u>
	<u>777,780</u>	<u>927,542</u>

10 DEFERRED TAX

The amount of deferred tax not provided in the accounts is:

	2000 £	1999 £
Accelerated capital allowances	<u>86,404</u>	<u>86,404</u>

11 CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised, called up, allotted and fully paid: 1,000,100 ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

12 PROFIT AND LOSS ACCOUNT

	2000 £
At 1 January	145,348
Loss for the year	<u>(454,688)</u>
At 31 December	<u><u>(309,340)</u></u>

13 RECONCILIATION OF MOVEMENT IN TOTAL EQUITY SHAREHOLDERS' FUNDS

	2000 £	1999 £
Retained (loss)/ profit on ordinary activities after taxation	(454,688)	92,179
Issue of new shares	<u>-</u>	<u>1,000,000</u>
Net movement in equity shareholders' funds	(454,688)	1,092,179
Opening total equity shareholders' funds	<u>1,145,448</u>	<u>53,269</u>
Closing total equity shareholders' funds	<u><u>690,760</u></u>	<u><u>1,145,448</u></u>

14 CONSOLIDATED FINANCIAL STATEMENTS

The financial statements present information about the company as an individual undertaking and consolidated financial statements are not prepared as the company is itself a wholly owned subsidiary of a company registered in England and Wales.

15 ULTIMATE AND IMMEDIATE CONTROLLING PARTIES

The ultimate parent company, controlling party and parent company of the largest group for which consolidated accounts are produced is Development Securities PLC. The immediate parent company and parent company of the smallest group for which consolidated accounts are produced is Development Securities (Investments) PLC. Both companies are registered in England and Wales. Copies of the Report and Financial Statements of Development Securities PLC and Development Securities (Investments) PLC can be obtained from Portland House, Stag Place, London SW1E 5DS.

16 RELATED PARTY DISCLOSURE

The company is a wholly owned subsidiary undertaking and, in accordance with the exemption provided by Financial Reporting Standard No. 8, "Related Party Disclosures", transactions with other undertakings within the Development Securities PLC Group have not been disclosed within these financial statements.