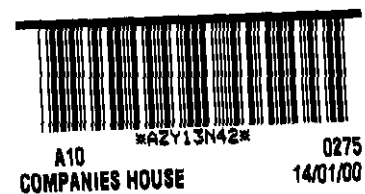


Whittle Jones Group Limited

Directors' report and financial statements

31 March 1999

Registered number 1911331



Whittle Jones Group Limited

Directors' report and financial statements

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Whittle Jones Group Limited

Directors' report

The directors present their report, together with the financial statements for the year ended 31 March 1999.

Principal activity

The principal activities of the company during the year were property management and allied professional work.

Business review

The company has continued to grow and enhance its client base resulting in an improved operating profit.

Year 2000

The board of TJH Group Limited has set up a committee to review the impact of the Year 2000 on the Group's computer based systems. The company's key computer systems are believed to be Year 2000 compliant and action plans are in place to deal with non compliant systems.

Whilst it is not possible to guarantee that the Year 2000 problem will be eliminated, we believe that the company is appropriately prepared. The cost of implementing the action plans is not significant.

Results and dividends

The retained profit for the financial year attributable to shareholders is £678,000 (1998: loss of £45,000) and has been transferred to reserves. The directors do not recommend the payment of a dividend.

Directors

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

K Bolton (appointed 5 May 1998)
GS Brown
MJ Grindrod
CM Rowlands (resigned 30 September 1998)
S Stott (appointed 21 September 1998)
MD Thompson
ML Widders (resigned 21 September 1998)

No rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Whittle Jones Group Limited

Directors' report *(continued)*

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 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG will therefore continue in office.

By order of the board



CL Fox
Secretary

Lynton House
Ackhurst Park
Lancashire
CHORLEY
PR7 1NY

25 November 1999



Edward VII Quay
Navigation Way
Ashton-on-Ribble
PRESTON
Lancashire PR2 2YF

Report of the auditors to the members of Whittle Jones Group Limited

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

As described on page 2, 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 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 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 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

*Chartered Accountants
Registered Auditors*

15.11.99

Whittle Jones Group Limited

Profit and loss account

for the year ended 31 March 1999

	<i>Note</i>	1999 £000	1998 £000
Turnover	<i>1</i>	1,961	1,843
Administrative expenses		(1,303)	(1,405)
Operating profit	<i>2</i>	658	438
Interest receivable and similar income	<i>5</i>	20	17
Profit on ordinary activities before taxation		678	455
Taxation on profit on ordinary activities	<i>6</i>	-	-
Profit for the financial year		678	455
Dividends paid	<i>7</i>	-	(500)
Retained profit/(loss) for the financial year	<i>13</i>	678	(45)

All amounts relate to continuing activities.

There was no material difference between the reported profits and the historical cost profits of the company.

Statement of total recognised gains and losses

for the year ended 31 March 1999

The profit and loss account includes the only gains and losses of the company for the current and prior year.


Whittle Jones Group Limited

Balance sheet

as at 31 March 1999

	Note	1999 £000	1998 £000	1998 £000
Fixed assets				
Tangible assets	8		153	213
Current assets				
Debtors	10	1,533	1,180	
Cash at bank and in hand		4,528	3,698	
		<u>6,061</u>	<u>4,878</u>	
Creditors: amounts falling due within one year	11	<u>(4,613)</u>	<u>(4,168)</u>	
Net current assets			1,448	710
			<u>1,601</u>	<u>923</u>
Capital and reserves				
Called up share capital	12		1	1
Profit and loss account	13		1,600	922
Equity shareholders' funds	14		<u>1,601</u>	<u>923</u>

Approved by the board of directors on 25 November 1999 and signed on its behalf by:


SJ Stott
Director

Whittle Jones Group Limited

Notes to the financial statements

1 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

Basis of preparation

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

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of TJH Group Limited, and its cash flows are included within the consolidated cash flow statement of that company.

Related party transactions

The directors have taken advantage of the exemption in Financial Reporting Standard Number 8, paragraph 3(c) and have not disclosed transactions with entities that are part of TJH Group Limited.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. All turnover arises in the United Kingdom.

Tangible fixed assets and depreciation

The cost of tangible fixed assets less their estimated residual value is written off on a straight line basis over their useful lives. The principal annual rates in use are:

Plant and machinery	-	25%
Fixtures and fittings	-	25%

Investments

Investments are stated at cost less provision for diminution in value.

Taxation

The charge for taxation is based on the profit for the year and takes into account the taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

Amounts claimed or surrendered by way of group relief are transferred at nil consideration.

Pensions

The company operates defined contribution pension schemes for the benefit of certain of its employees. Contributions are charged to the profit and loss account as they become payable by the company in accordance with the rules of the scheme.

Whittle Jones Group Limited

Notes (continued)

2 Operating profit

	1999 £000	1998 £000
<i>Operating profit is stated after charging:</i>		
Depreciation on owned assets	92	111
Operating lease rentals	10	9
Auditors' remuneration: audit	10	9
other	<u>2</u>	<u>2</u>

3 Staff numbers and costs

	1999 £000	1998 £000
<i>Employee costs (including directors):</i>		
Wages and salaries	630	659
Social security costs	58	62
Other pension costs	28	28
	<u>716</u>	<u>749</u>

The average number of persons employed by the company during the year (including directors) was:

	Number 1999	Number 1998
Management and administration	<u>37</u>	<u>41</u>

4 Directors' remuneration

Directors remuneration of £114,000 (1998: £128,000) includes pension contributions of £7,000 (1998: £8,000).

The number of directors to whom benefits are accruing under the defined contribution scheme is 2 (1998: 3).

5 Interest receivable and similar income

	1999 £000	1998 £000
Interest receivable from group undertakings	<u>20</u>	<u>-</u>

6 Taxation

There is no tax charge for the current year due to the availability of group relief (1998: £nil).

Whittle Jones Group Limited

Notes (continued)

7 Dividends

	1999 £000	1998 £000
Interim dividends paid	-	500
	<u> </u>	<u> </u>

8 Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Total £000
<i>Cost</i>			
At 1 April 1998	444	89	533
Additions	76	-	76
Disposals	(74)	-	(74)
Transfers	(42)	-	(42)
At 31 March 1999	<u>404</u>	<u>89</u>	<u>493</u>
<i>Depreciation</i>			
At 1 April 1998	248	72	320
Charge for year	83	9	92
Disposal	(54)	-	(54)
Transfers	(18)	-	(18)
At 31 March 1999	<u>259</u>	<u>81</u>	<u>340</u>
<i>Net book value</i>			
At 31 March 1999	<u>145</u>	<u>8</u>	<u>153</u>
At 1 April 1998	<u>196</u>	<u>17</u>	<u>213</u>
	<u> </u>	<u> </u>	<u> </u>

Whittle Jones Group Limited

Notes (continued)

9 Fixed asset investments

Investments in
subsidiary
undertakings
£000

Cost and net book value

At beginning and end of year

-

At 31 March 1999 the company had the following subsidiary undertakings, all of which are incorporated in England and Wales:

	Principal activity	Proportion of ordinary shares held
Whittle Jones (Preston) Limited	Dormant	100%
Whittle Jones (Newcastle) Limited	Dormant	100%
Whittle Jones (Leeds) Limited	Dormant	100%

10 Debtors

	1999 £000	1998 £000
Trade debtors	449	546
Amounts owed by group undertakings	995	544
Prepayments and accrued income	89	90
	<u>1,533</u>	<u>1,180</u>

11 Creditors

	1999 £000	1998 £000
<i>Amounts falling due within one year</i>		
Trade creditors	1,980	1,316
Amounts owed to group undertakings	736	1,461
Other taxation and social security	92	73
Other creditors	1,660	1,167
Accruals and deferred income	145	151
	<u>4,613</u>	<u>4,168</u>

Whittle Jones Group Limited

Notes (continued)

12 Called up share capital

	1999 £000	1998 £000
<i>Authorised</i>		
5,000 ordinary shares of £1 each	5	5
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
1,050 ordinary shares of £1 each	1	1
	<u> </u>	<u> </u>

13 Reserves

	Profit and loss account £000
At 1 April 1998	922
Retained profit for the financial year	678
	<u> </u>
At 31 March 1999	1,600
	<u> </u>

14 Reconciliation of movements in shareholders' funds

	1999 £000	1998 £000
Profit for the financial year	678	455
Dividends	-	(500)
	<u> </u>	<u> </u>
Net addition/(reduction) to shareholders' funds	678	(45)
Shareholders' funds at beginning of year	923	968
	<u> </u>	<u> </u>
Shareholders' funds at end of year	1,601	923
	<u> </u>	<u> </u>

15 Pensions

Certain of the company's employees are members of defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents pension contributions payable by the company to the fund and amounted to £28,000 (1998: £28,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Whittle Jones Group Limited

Notes *(continued)*

16 **Contingent liabilities**

The company is party to group banking arrangements for TJH Group Limited. Consequently, it is jointly and severally liable for the loans and overdrafts of TJH Group Limited and certain of its subsidiary undertakings. At 31 March 1999 the liability under this guarantee amounted to £128,320,000 (1998: £120,920,000).

17 **Ultimate parent company**

The ultimate parent company is TJH Group Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by TJH Group Limited. The consolidated financial statements of TJH Group Limited are available to the public and may be obtained from:

The Registrar of Companies
Companies House
Crown Way
CARDIFF CF4 3UZ