

Chadmore Assets PLC

Directors' report and financial statements

27 December 1998

Registered number 2329790

Registered office

Lex House
17 Connaught Place
London
W2 2EL



Report and financial statements

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Directors and secretary

Directors

PR Harris
P Higgins (appointed 31 December 1998)
J Johnson
ME Powell (appointed 30 September 1998)
DM Smith (appointed 31 December 1998)
AJ Beeston (resigned 30 September 1998)
JD Fitch (resigned 31 December 1998)
AK Simpson (resigned 31 December 1998)

Secretary

DA Ives

Directors' report

The directors have pleasure in submitting their report and the financial statements for the year ended 27 December 1998.

Principal activity and business review

The company did not trade during the year and the board has no plans at present to recommence trading.

Directors

The directors who held office during the year are as shown on page 1.

Directors' interests

None of the persons who were directors as at 27 December 1998 had any interest in the shares of the company.

All of the directors at the year end were also directors of the immediate parent undertaking, Lex Transfleet Limited, and their interests in the share and loan capital of group undertakings are disclosed in the directors' report of that company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor to the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



DA Ives
Secretary

18 February 1999

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 year. 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 subject to any material departures disclosed and explained in the financial statements; 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 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.

KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Report of the Auditors, KPMG Audit Plc, to the members of Chadmore Assets PLC

We have audited the financial statements on pages 5 to 7.

Respective responsibilities of directors and auditors

As described on page 3 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.

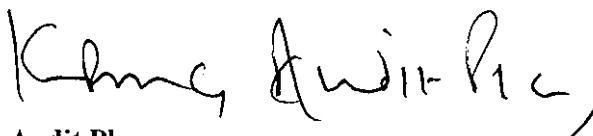
Basis of opinion

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 27 December 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
Chartered Accountants
Registered Auditor

18 February 1999

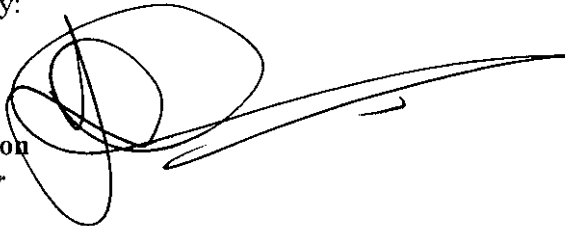
Balance sheet
at 27 December 1998

	<i>Note</i>	1998 £000	1997 £000
Current assets			
Debtors - amounts owed by group undertakings		6,702	6,702
		=====	=====
Capital and reserves			
Called up share capital	3	17,750	17,750
Profit and loss account		(11,048)	(11,048)
		-----	-----
Equity shareholders' funds		6,702	6,702
		=====	=====

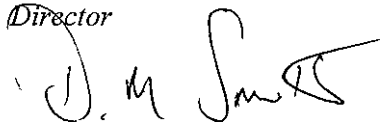
The notes on pages 6 and 7 form part of these financial statements

These financial statements were approved by the board of directors on 18 February 1999 and signed on their behalf by:

J Johnson
Director



DM Smith
Director



Notes

(forming part of the financial statements)

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.

Basis of preparation

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

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provisions for any permanent diminution in value.

Consolidated financial statements

Consolidated financial statements have not been prepared for the company and its subsidiary undertaking, as the company itself is a wholly owned subsidiary and is thus not required to do so under Section 228 of the Companies Act 1985.

Cash flow statement

A cash flow statement as defined by FRS 1 has not been prepared as the company is a wholly owned subsidiary of a UK parent.

2. Profit and loss account

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure and consequently made neither a profit nor a loss.

3. Called up share capital

	1998	1997
	£000	£000
<i>Authorised, allotted, issued and fully paid:</i>		
Equity: 17,750,000 ordinary shares of £1 each	17,750	17,750
	<u> </u>	<u> </u>

Notes *(continued)*

4. Parent undertaking

The immediate parent undertaking is Lex Transfleet Limited, the ultimate parent undertaking being National Westminster Bank Plc.

Copies of the financial statements of Lex Transfleet Limited can be obtained from:

The Secretary, Lex Transfleet Limited, c/o Lex Service PLC, Lex House, 17 Connaught Place, London W2 2EL.

Copies of the financial statements of National Westminster Bank Plc can be obtained from:

The Secretary, National Westminster Bank Plc, 41 Lothbury, London, EC2P 2BP.