

COFTON IRISH INVESTMENTS LIMITED**COMPANY INFORMATION****DIRECTORS**

Pierce G Molony
Judith D Molony

SECRETARY

Jordon Company Secretaries Limited

REGISTERED OFFICE

20-22 Bedford Row
London
WCR 4JS

REGISTERED NUMBER

2398604

BANKERS

I.C.C. Bank Plc
32-34 Harcourt Street,
Dublin 2,
Ireland.

AUDITORS

Michael J. O'Connor & Co.,
Certified Public Accountants,
Registered Auditors,
64 North Strand Road,
Dublin 3,
Ireland

And At
66-67 Chandos Place,
London,
W2CN 4HG

BANKERS

Allied Irish Banks PLC
10/11 Lower O'Connell Street,
Dublin 1,
Ireland.



COFTON IRISH INVESTMENTS LIMITED**REPORT OF THE DIRECTORS**

The Directors present their report and the audited financial statements for the period ended 31 December 1998.

Principal Activity

The principal activity of the Company is that of property investment.

Business review and future developments

The Company has changed its accounting reference date to 31 December.

Results and dividends

The profit for the period amounted to £204,578 (21 November 1997 – nil). It is recommended that this amount be transferred to reserves.

Directors

The directors of the Company are set out on page 1. All of the directors served throughout the period.

None of the directors have a beneficial interest in the shares of the Company as defined by the Companies Act 1985.

The interest of the directors in the shares of the ultimate holding company Bumalda Investments are discussed in the financial statements of that company.

COFTON IRISH INVESTMENTS LIMITED**REPORT OF THE DIRECTORS
(Continued)****Directors Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true & fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors have;

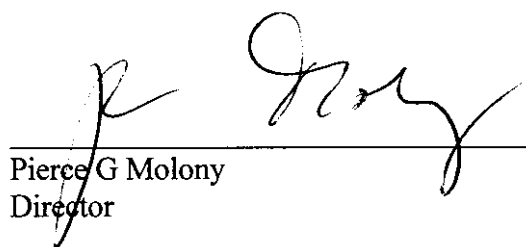
- ❖ Selected suitable accounting policies and then applied them consistently.
- ❖ Make judgements and estimates that are reasonable and prudent.
- ❖ Followed applicable accounting standards and
- ❖ Prepared the financial statements on a going concern basis

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

Auditors

The auditors, Michael J. O'Connor & Co., are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 13 September 1999 and signed on its behalf by;



Pierce G Molony
Director

**AUDITORS REPORT TO THE SHAREHOLDERS OF
COFTON IRISH INVESTMENTS LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of accounting policies set out on page 8.

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.

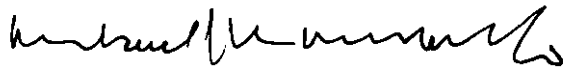
Basis of opinion

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 31st December 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Michael J. O'Connor & Co.,
Certified Public Accountants & Registered Auditor

Dublin
13 September 1999.

COFTON IRISH INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT****For the period ended 31 December 1998**

	Note	Period ended 31 December 1998	Period ended 21 November 1997
		<hr/>	<hr/>
		£	£
Turnover – continuing operations	2	205,702	27,114
Cost of Sales		-	-
Gross Profit		205,702	27,114
Administrative expenses		(1,284)	(11)
		<hr/>	<hr/>
Operating profit – continuing operations	3	204,418	27,103
Interest receivable & similar income	4	160	-
Interest payable	5	-	(27,103)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		204,578	-
Tax on profit on ordinary activities	8	-	-
		<hr/>	<hr/>
Retained profit for the financial period		204,578	-
		<hr/>	<hr/>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

COFTON IRISH INVESTMENTS LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES**
For the period ended 31 December 1998

	Period ended 31 December 1998	Period ended 21 November 1997
	£	£
Profit for the financial period	202,295	-
Foreign currency exchange differences	2,283	(1,053)
	<hr/>	<hr/>
Total Recognised gains / (losses)	204,578	(1,053)
	<hr/>	<hr/>

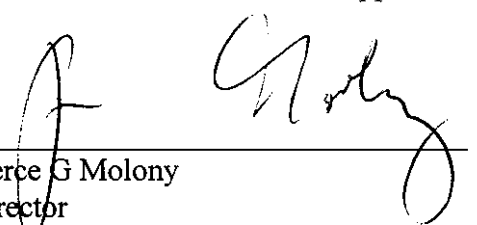
RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS
For the period ended 31 December 1998

	Period ended 31 December 1998	Period ended 21 November 1997
	£	£
Total recognised gains	204,578	(1,053)
Opening Shareholders funds	4,052	5,105
	<hr/>	<hr/>
Closing Shareholders funds	208,630	4,052
	<hr/>	<hr/>

COFTON IRISH INVESTMENTS LIMITED**BALANCE SHEET****For the period ended 31 December 1998**

	Note	Period ended 31 December 1998	Period ended 21 November 1997
		£	£
Fixed Assets			
Investment Properties	9	1,866,003	1,866,003
Current Assets			
Debtors	10	8,630	15,550
Cash at bank & in hand		86,091	-
		94,721	15,550
Creditors: amounts falling due within one year	11	(1,750,351)	(1,884,441)
Net current liabilities		(1,655,630)	(1,868,891)
Total assets less current liabilities		210,373	(2,888)
Creditors: amounts falling due after more than One year		-	6,940
Net Assets		210,373	4,052
Capital & Reserves			
Called up share capital	12	100	100
Investment revaluation reserve	13	339,538	339,538
Profit & loss account	13	(129,265)	(331,560)
Other reserves	13	-	(4,026)
Equity Shareholders' funds		210,373	4,052

The financial statements were approved by the Board on 13 September 1999 and signed on its behalf by:



 Pierce G Molony
 Director

COFTON IRISH INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 1998****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain land and buildings.

Foreign Currencies

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date. The trading results are translated into sterling at the average rate for the period. Exchange differences arising in respect of the revenue transactions in the accounting period are included in the profit and loss account. Other exchange differences are taken to reserves.

Turnover

Turnover comprises rent and charges to clients and the invoiced value of properties sold excluding value added tax.

Taxation

The charge for taxation is based on the profit for the period for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Investment Properties

Investment properties are revalued annually and the surplus or deficit is transferred to Revaluation Reserve. In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold properties with over 20 years to run.

The directors consider that this accounting policy results in the accounts giving a true & fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified & quantified.

COFTON IRISH INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 1998****2. TURNOVER**

	Period ended 31 December 1998	Period ended 21 November 1997
Rents receivable	205,702	27,114
	<hr/>	<hr/>

3. OPERATING PROFIT

Operating profit is arrived at after charging

	Period ended 31 December 1998	Period ended 21 November 1997
Auditors remuneration	983	-
	<hr/>	<hr/>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 31 December 1998	Period ended 21 November 1997
Bank Interest receivable	160	-
	<hr/>	<hr/>

5. INTEREST PAYABLE

	Period ended 31 December 1998	Period ended 21 November 1997
Bank Loan Interest	-	27,103
	<hr/>	<hr/>

6. EMPLOYEES

The company had no employees during the period

7. DIRECTORS

The directors did not receive any emoluments during the period (21 November 1997 - £nil)

COFTON IRISH INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
31 December 1998****8. TAXATION**

	Period ended 31 December 1998	Period ended 21 November 1997
Corporation tax	-	-
	<hr/>	<hr/>

9. INVESTMENT PROPERTIES

	Period ended 31 December 1998	Period ended 21 November 1997
At 21 November 1997	1,866,003	1,866,003
	<hr/>	<hr/>
At 31 December 1998	1,866,003	1,866,003
	<hr/>	<hr/>

10. DEBTORS

	Period ended 31 December 1998	Period ended 21 November 1997
Other debtors		
Amounts owing by subsidiary undertakings	8,630	15,550
	<hr/>	<hr/>
	8,630	15,550
	<hr/>	<hr/>

COFTON IRISH INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 1998****11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Period ended 31 December 1998	Period ended 21 November 1997
Bank loan & overdraft	-	1,557,407
Amounts owed to parent & fellow		
Subsidiary undertakings	1,706,192	296,892
Corporation Tax	-	6,940
Accruals & deferred income	44,159	23,202
	<hr/>	<hr/>
	1,750,351	1,884,441
	<hr/>	<hr/>

12. SHARE CAPITAL

	Period ended 31 December 1998	Period ended 21 November 1997
Authorised		
250,000 Ordinary Shares of £1 each	250,000	250,000
	<hr/>	<hr/>
Allotted & fully paid		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

13. RESERVES

	Investment Revaluation Reserve	Profit and loss account	Other reserves	Total
At 21 November 1997	339,538	(331,560)	(4,026)	3,952
Profit for the period	-	204,578	-	204,578
Other foreign exchange	-	-	-	
Translation Differences	-	(2,283)	4,026	1,743
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	339,538	129,265	-	210,273
	<hr/>	<hr/>	<hr/>	<hr/>

COFTON IRISH INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 1998****14. BANK LOANS, OVERDRAFTS AND CONTINGENT LIABILITIES**

The group's banking facilities are subject to cross guarantees entered into by the holding company and its subsidiaries. The company has created a fixed and floating charge over all its assets to secure all amounts owing to Industrial Credit Corporation PLC

15. PARENT UNDERTAKING

The ultimate parent company is Bumalda Holdings, which is registered in Dublin. Bumalda Holdings is an unlimited company.

16. CHANGE OF AUDITORS

The financial statement for the previous accounting period from 1st October 1997 to 21st November 1997, which form the comparative figures for these financial statements were audited by Robson Rhodes, Chartered Accountants.