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Company number : 2555030

S J S INVESTMENTS LIMITED

ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2000



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S J S INVESTMENTS LIMITED

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S J S INVESTMENTS LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 2000

The directors submit their annual report and the financial statements for the year ended 30 September 2000.

Results and dividends

The profit for the financial year after tax amounted to £104,562 (1999 : £56,830).

The directors do not recommend the payment of a dividend and recommend that the retained profit be transferred to reserves.

Principal activity and review of business

The principal activity of the company continued to be that of an investment company.

The directors are satisfied with the company's year end financial situation.

Directors

The directors at the beginning and end of the year were as follows:

J A B Corscadden
J R Quarmby
R P Stross

None of the directors had any interest in the share capital of the company.

The directors are all directors of St James Securities Holdings Limited, the company's parent undertaking. Their interests in the shares of that company are disclosed in its directors' report.

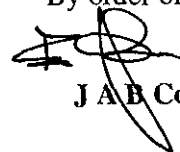
Auditors

The auditors, PKF, have signified their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

Basis of preparation

This directors' report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



J A B Corscadden
Secretary

26 June 2001

S J S INVESTMENTS LIMITED
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 and of the profit or loss of the company 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
S J S INVESTMENTS LIMITED**

We have audited the financial statements of SJS Investments Limited for the year ended 30 September 2000 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entities.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 30 September 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

PKF

Manchester
26 June 2001

Registered Auditors

S J S INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2000

	Notes	2000 £	1999 £
TURNOVER		700,806	699,924
ADMINISTRATIVE EXPENSES		<u>1,084</u>	<u>708</u>
OPERATING PROFIT	2	699,722	699,216
Interest receivable and similar income		6,164	3,077
Interest payable and similar charges		<u>601,324</u>	<u>645,913</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE		104,562	56,380
TAX ON PROFIT ON ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
RETAINED PROFIT FOR THE YEAR	8	<u>104,562</u>	<u>56,380</u>

S J S INVESTMENTS LIMITED
BALANCE SHEET
30 SEPTEMBER 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Investment properties	3	8,425,000	8,425,000
CURRENT ASSETS			
Debtors	4	73,336	85,415
CREDITORS			
Amounts falling due within one year	5	<u>946,343</u>	<u>925,788</u>
NET CURRENT LIABILITIES		<u>(873,007)</u>	<u>(840,373)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,551,993	7,584,627
CREDITORS			
Amounts falling due after more than one year	6	<u>5,145,008</u>	<u>5,282,204</u>
		<u>2,406,985</u>	<u>2,302,423</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Investment property revaluation reserve	8	1,674,334	1,674,334
Profit and loss account	8	<u>732,649</u>	<u>628,087</u>
SHAREHOLDERS' FUNDS		<u>2,406,985</u>	<u>2,302,423</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 26 June 2001

J A B CORSCADDEN



Directors

J R QUARMBY



S J S INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2000

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) Accounting convention

The financial statements set out on pages 4 to 8 are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

(b) Investment properties

These comprise completed properties at valuation which have been completed and substantially let. No depreciation has been provided in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000). This treatment is contrary to the Companies Act 1985, which states that fixed assets should be depreciated, but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

(c) Turnover

Turnover represents rental income and invoiced sales less allowances, trade discounts and value added tax.

(d) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

2 OPERATING PROFIT

The operating profit is stated after charging the following:

	2000 £	1999 £
Auditors' remuneration	<u>1,000</u>	<u>600</u>

No director received any emoluments (1999 : £Nil).

3 FIXED ASSETS

	Freehold investment properties £
At valuation	
At 1 October 1999 and at 30 September 2000	<u>8,425,000</u>

The freehold investment properties were revalued by Mason Philips, Chartered Surveyors, on 24 November 1997, on an open market value of £8,425,000. The valuation was made in accordance with the Practice Statements in the RICS Appraisal and Valuation Manual. The directors are of the opinion that this valuation equates to open market value at 30 September 2000.

The historical cost of the above fixed assets is £6,750,666 (1999 : £6,750,666).

S J S INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2000

4 DEBTORS

Due within one year:	2000	1999
	£	£
Trade debtors	24,254	41,382
Other debtors	49,082	44,033
	<u>73,336</u>	<u>85,415</u>

5 CREDITORS

Amounts falling due within one year:	2000	1999
	£	£
Bank loans and overdraft	167,475	123,019
Amounts owed to group undertakings	515,576	536,871
Other taxation and social security	60,590	61,040
Accruals and deferred income	202,702	204,858
	<u>946,343</u>	<u>925,788</u>

6 CREDITORS

Amounts falling due after more than one year:	2000	1999
	£	£
Bank loans		
Amounts falling due between two and five years	716,327	651,393
Amounts falling due after more than five years	4,428,681	4,630,811
	<u>5,145,008</u>	<u>5,282,204</u>

The interest rates on loans are 11.79%, 11.94% and 9.32%. The loans are secured by fixed and floating charges over the assets of the company. The loans are repayable quarterly over 10½ and 11½ years.

7 CALLED UP SHARE CAPITAL

There was no change in share capital during the year.

	Authorised £	Allotted, called up and fully paid £
Ordinary shares of £1 each	<u>100,000</u>	<u>2</u>

S J S INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2000

8 RESERVES

The movement of reserves during the year was as follows:

	Investment property revaluation reserve £	Profit and loss account £
At 1 October 1999	1,674,334	628,087
Profit for the year	<u>-</u>	<u>104,562</u>
At 30 September 2000	<u>1,674,334</u>	<u>732,649</u>

9 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is St James Securities Holdings Limited. Consolidated accounts are available from Companies House.

In the opinion of the directors this is the company's ultimate parent company and controlling party.

10 CONTINGENT LIABILITIES

At 30 September 2000, the company had guaranteed amounts owing by the parent company and fellow subsidiaries of £2,234,956 (1999 : £1,514,840).

11 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred on 90% subsidiaries to not disclose transactions with other group companies.