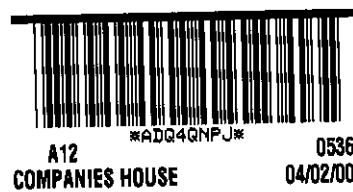


B W PROPERTIES LIMITED

FINANCIAL STATEMENTS

5TH APRIL 1999

Registered number: 2595553



ROTHMAN PANTALL & CO

CHARTERED ACCOUNTANTS

Winchester

B W PROPERTIES LIMITED
FINANCIAL STATEMENTS
for the year ended 5th April 1999

CONTENTS

| | Page |
|---|--------|
| Company information | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities | 3 |
| Auditors' report | 4 |
| Profit and loss account | 5 |
| Statement of total recognised gains and losses | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 - 11 |

B W PROPERTIES LIMITED

COMPANY INFORMATION

5th April 1999

| | |
|-------------------|---|
| INCORPORATED | in England on 26th March 1991 |
| NUMBER | 2595553 |
| DIRECTORS | A H Habel J J Habel (Deceased 28.7.98) |
| SECRETARY | S T Habel |
| REGISTERED OFFICE | Avebury House 6 St Peter Street Winchester Hampshire SO23 8BN |
| BANKERS | HSBC PLC 58 High Street Winchester Hampshire SO23 9BZ |
| AUDITORS | Rothman Pantall & Co Chartered Accountants Avebury House 6 St Peter Street Winchester Hampshire SO23 8BN |

B W PROPERTIES LIMITED

DIRECTORS' REPORT

5th April 1999

The directors present their report and the audited financial statements for the year ended 5th April 1999.

Principal activity

The principal activity of the company comprises the holding of investment property.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

| | 5th April 1999 Ordinary shares | 6th April 1998 Ordinary shares |
|--|--------------------------------------|--------------------------------------|
| A H Habel (Held jointly with A D Properties Ltd) | 1 | 1 |
| J J Habel (Deceased 28.7.98) | - | - |

Auditors

Rothman Pantall & Co have agreed to offer themselves for reappointment as auditors of the company.

Year 2000 Compliance

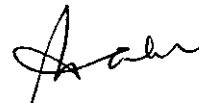
As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

Small company exemption

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

On behalf of the board



A H Habel
Director

Avebury House
6 St Peter Street
Winchester
Hampshire SO23 8BN

24th December 1999

B W PROPERTIES 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 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 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.

On behalf of the board



A H Habel
Director

24th December 1999

B W PROPERTIES LIMITED**AUDITORS' REPORT****Auditors' report to the shareholders of****B W Properties Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared, under the historical cost convention, as modified by the revaluation of certain fixed assets, and the 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.

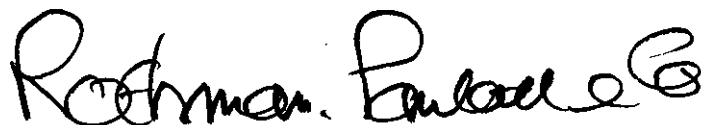
Basis of opinion

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 error or other irregularity. 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 5th April 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rothman Pantall & Co
Chartered Accountants and
Registered Auditors
Avebury House
6 St Peter Street
Winchester
Hampshire SO23 8BN

4th January 2000

B W PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 5th April 1999

| | Note | 1999 £ | 1998 £ |
|--|------|-----------|-----------|
| Turnover | 2 | 49,058 | 42,560 |
| Net operating expenses | | | |
| Administrative expenses | | (7,577) | (8,189) |
| Operating profit | 3 | 41,481 | 34,371 |
| Interest payable | 5 | (17) | (10) |
| Profit on ordinary activities before taxation | | 41,464 | 34,361 |
| Taxation | 6 | (8,755) | (7,183) |
| Profit on ordinary activities after taxation | | 32,709 | 27,178 |
| retained for the year | 13 | | |

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

B W PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 5th April 1999

| | 1999 £ | 1998 £ |
|---|----------------|---------------|
| Profit for the financial year | 32,709 | 27,178 |
| Unrealised surplus on revaluation of properties | 122,974 | - |
| Total gains recognised since last report | <u>155,683</u> | <u>27,178</u> |

B W PROPERTIES LIMITED

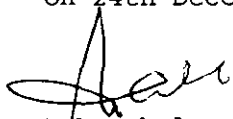
BALANCE SHEET

at 5th April 1999

| | Note | 1999 £ | 1998 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 500,353 | 377,303 |
| Current assets | | | |
| Debtors | 8 | 14,627 | 6,619 |
| Cash at bank and in hand | | - | 10,855 |
| | | <u>14,627</u> | <u>17,474</u> |
| Creditors: amounts falling due within one year | 9 | <u>(261,930)</u> | <u>(297,410)</u> |
| Net current liabilities | | <u>(247,303)</u> | <u>(279,936)</u> |
| Total assets less current liabilities | | <u>253,050</u> | <u>97,367</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 100 | 100 |
| Investment revaluation reserve | 12 | 122,974 | - |
| Profit and loss account | 13 | <u>129,976</u> | <u>97,267</u> |
| Total shareholders' funds | 10 | <u>253,050</u> | <u>97,367</u> |

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

The financial statements on pages 5 to 11 were approved by the board of directors on 24th December 1999 and signed on its behalf by:


A/H Habel
Director

B W PROPERTIES LIMITED

NOTES ON FINANCIAL STATEMENTS

5th April 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold investment properties.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

| | |
|------------------|-------------|
| Office equipment | 15% on cost |
|------------------|-------------|

Freehold Investment Property has been dealt with in accordance with SSAP19 and has been revalued by the director at the balance sheet date on an open market basis. No depreciation has been provided in respect of freehold investment property.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1998 nil).

3 Operating profit

| | 1999 £ | 1998 £ |
|---|-----------|-----------|
| Operating profit is stated after charging: | | |
| Auditors' remuneration | 1,997 | 1,500 |
| | <hr/> | <hr/> |
| Depreciation of tangible fixed assets (note 7): | | |
| Owned assets | 90 | 91 |
| | <hr/> | <hr/> |

4 Directors

| | 1999 £ | 1998 £ |
|------------------------|-----------|-----------|
| Directors remuneration | - | - |
| | <hr/> | <hr/> |

B W PROPERTIES LIMITED

NOTES ON FINANCIAL STATEMENTS

5th April 1999

5 Interest payable

| | 1999 £ | 1998 £ |
|-----------------------|-----------|-----------|
| Bank Interest payable | 17 | 10 |
| | <u>17</u> | <u>10</u> |

6 Taxation

| | 1999 £ | 1998 £ |
|--|--------------|--------------|
| Corporation tax on profit on ordinary activities at 21% (1998 21%) | 8,755 | 7,183 |
| | <u>8,755</u> | <u>7,183</u> |

7 Tangible fixed assets

| | Office Equipment | Freehold Investment Property | Total |
|------------------------|---------------------|------------------------------------|----------------|
| Cost or valuation | £ | £ | £ |
| 6th April 1998 | 603 | 376,860 | 377,463 |
| Additions | - | 166 | 166 |
| Revaluation | - | 122,974 | 122,974 |
| 5th April 1999 | <u>603</u> | <u>500,000</u> | <u>500,603</u> |
| Depreciation | | | |
| 6th April 1998 | 160 | - | 160 |
| Charge for the year | 90 | - | 90 |
| 5th April 1999 | <u>250</u> | <u>-</u> | <u>250</u> |
| Net book amount | | | |
| 5th April 1999 | <u>353</u> | <u>500,000</u> | <u>500,353</u> |
| 6th April 1998 | <u>443</u> | <u>376,860</u> | <u>377,303</u> |

Freehold investment property has been revalued by the director at 5th April 1999 on an open market basis at £500,000. The historical cost of the property was £377,026.

8 Debtors

| | 1999 £ | 1998 £ |
|--|---------------|--------------|
| Amounts falling due within one year | | |
| Rent Receivable | 13,580 | 5,867 |
| Other debtors | 1,047 | 752 |
| | <u>14,627</u> | <u>6,619</u> |

B W PROPERTIES LIMITED

NOTES ON FINANCIAL STATEMENTS

5th April 1999

9 Creditors: amounts falling due within one year

| | 1999 £ | 1998 £ |
|------------------------------------|----------------|----------------|
| Bank overdrafts | 905 | - |
| Trade creditors | 812 | 4,316 |
| Corporation tax | 8,755 | 7,189 |
| Directors current account | 15,362 | 24,005 |
| Amounts owed to group companies | 229,656 | 255,104 |
| Other taxation and social security | 3,190 | 3,996 |
| Other creditors | 3,250 | 2,800 |
| | <u>261,930</u> | <u>297,410</u> |

10 Reconciliation of movements in shareholders' funds

| | 1999 £ | 1998 £ |
|---|----------------|---------------|
| Profit for the financial year | 32,709 | 27,178 |
| Other recognised gains relating to the year (net) | <u>122,974</u> | <u>-</u> |
| Net addition to shareholders' funds | 155,683 | 27,178 |
| Opening shareholders' funds | <u>97,367</u> | <u>70,189</u> |
| Closing shareholders' funds | <u>253,050</u> | <u>97,367</u> |

11 Called up share capital

| | 1999 | | 1998 | |
|------------------------------------|---------------------|-------------|---------------------|-------------|
| | Number of shares | £ | Number of shares | £ |
| Authorised | | | | |
| Ordinary shares of £1 | <u>1000</u> | <u>1000</u> | <u>1000</u> | <u>1000</u> |
| Allotted, called up and fully paid | | | | |
| Ordinary shares of £1 | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

B W PROPERTIES LIMITED

NOTES ON FINANCIAL STATEMENTS

5th April 1999

12 Investment revaluation reserve

| | 1999 £ |
|------------------------|----------------|
| 6th April 1998 | - |
| Surplus on revaluation | 122,974 |
| 5th April 1999 | <u>122,974</u> |

13 Profit and loss account

| | 1999 £ |
|------------------------------|----------------|
| 6th April 1998 | 97,267 |
| Retained profit for the year | 32,709 |
| 5th April 1999 | <u>129,976</u> |

14 Related parties

The following balances existed in respect of related parties.

| | 1999 £ | 1998 £ |
|--|---------------|---------------|
| J J Habel Directors Current account included in creditors due within one year | <u>15,362</u> | <u>24,005</u> |

15 Ultimate Holding Company

The ultimate holding company of B W Properties Limited is A D Properties Limited, a company incorporated in England and Wales. A D Properties Limited is the beneficial owner of 100% of the issued share capital of B W Properties Limited. Group accounts are not prepared as A D Properties Limited is exempt from preparing group accounts under S248 of the Companies Act 1985.

16 Ultimate Controlling Party

Throughout the year the company was under the ultimate control of A H Habel, the director of the company and holder of 77% (26% jointly held with J J Habel) of the issued share capital of A D Properties Limited and the director of that company.