

Company Registered No: 2902264

WESTVIEW INVESTMENTS LIMITED

FINANCIAL STATEMENTS

31 JULY 1999



WESTVIEW INVESTMENTS LIMITED

COMPANY INFORMATION

DIRECTORS

R F M Adair
N J C Turnbull

SECRETARY

T Walsh

REGISTERED OFFICE

1 Portland Place
London W1N 3AA

REGISTERED AUDITORS

Thompson Taraz & Co
Chartered Accountants
3 New Burlington Mews
London W1R 8QA

WESTVIEW INVESTMENTS LIMITED**REPORT OF THE DIRECTORS**

The Directors submit their report and the financial statements for the year ended 31 July 1999.

RESULTS

The profit and loss account shows a loss for the year after taxation of £647,128 (1998 : loss £920,930). The Directors have not recommended the payment of a dividend.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the co-ordination of the activities of its subsidiaries and associates and property investment. The Directors do not currently envisage any major changes in the activities of the company.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the period together with their interests in the share capital at 31 July 1999 and 1998 were as follows :

Ordinary Shares of £1 each

R F M Adair	-
N J C Turnbull	-

R F M Adair has an interest in the share capital of the company by virtue of his interest in the share capital of Westview Group Limited, the parent company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 these 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.

WESTVIEW INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (continued)

THE MILLENIUM

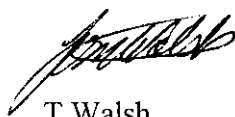
The company has not suffered any adverse problems as a result of the last two digits of the year rolling over to "00" either internally or from third party failures.

As an ongoing measure, the Directors are regularly reviewing and updating the company's computer systems and have been ensuring for some time that all systems or modifications are "Year 2000 compliant".

REGISTERED AUDITORS

Thompson Taraz & Co Chartered Accountants have indicated their willingness to continue in office and a resolution to re-appoint them will be put to the members at the Annual General Meeting.

On behalf of the Board



T Walsh
Secretary

Date : 23 March 2000

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

WESTVIEW INVESTMENTS LIMITED

We have audited the financial statements on pages 5 to 13.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 the information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 31 July 1999 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Thompson Taraz & Co

Thompson Taraz & Co
Chartered Accountants
Registered Auditors
3 New Burlington Mews
London W1R 8QA

Date : 23 March 2000

WESTVIEW INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 July 1999

	<u>Note</u>	<u>Year ended</u> <u>31 July 1999</u> <u>£</u>	<u>Year ended</u> <u>31 July 1998</u> <u>£</u>
TURNOVER	2	30,000	30,000
GROSS PROFIT		30,000	30,000
Administrative expenses		(73,771)	(321,444)
OPERATING LOSS		(43,771)	(291,444)
Investment income	3	48,879	94,856
Interest payable	4	(652,236)	(724,342)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(647,128)	(920,930)
Taxation	6	-	-
RETAINED LOSS FOR THE PERIOD	14	<u>£(647,128)</u>	<u>£(920,930)</u>

The company has no recognised gains or losses other than those stated in the Profit and Loss Account.

All the activities of the company during the period are continuing activities.

The accompanying notes form an integral part of this Profit and Loss Account.

WESTVIEW INVESTMENTS LIMITED**BALANCE SHEET****at 31 July 1999**

	Note	31 July 1999 £	31 July 1998 £
FIXED ASSETS			
Investment properties	7	1,478,951	1,478,951
Investments	8	6,817,691	5,656,499
		<u>8,296,642</u>	<u>7,135,450</u>
CURRENT ASSETS			
Debtors	9	339,666	3,335,961
CREDITORS			
Amounts falling due within one year	10	(7,885,824)	(9,409,563)
NET CURRENT LIABILITIES		<u>(7,546,158)</u>	<u>(6,073,602)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		750,484	1,061,848
CREDITORS			
Amounts falling due after more than one year	11	(715,354)	(1,573,559)
NET ASSETS/(LIABILITIES)		<u>£35,130</u>	<u>£(511,711)</u>
CAPITAL AND RESERVES			
Called-up share capital	12	100	100
Revaluation Reserve	13	4,385,581	3,191,612
Profit and loss account	14	(4,350,551)	(3,703,423)
EQUITY SHAREHOLDERS' FUNDS	15	<u>£35,130</u>	<u>£(511,711)</u>

Approved by the Board on : 23 March 2000



N J C Turnbull
Director

The accompanying notes form an integral part of this Balance Sheet.

WESTVIEW INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 July 1999**1 ACCOUNTING POLICIES****a) BASIS OF ACCOUNTING**

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

The directors consider the going concern concept to be appropriate due to the continued support by the parent company.

The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt from preparing group accounts under Section 228 of the Companies Act 1985 as it is a subsidiary of Westview Group Limited, which is registered in England and Wales.

b) INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary and associated undertakings are accounted using the equity method whereby the original cost of the investment is adjusted for changes in the value of the underlying net assets.

c) TURNOVER

Turnover represents rental and service charge income excluding value added tax and arises solely in the United Kingdom.

d) CASH FLOW STATEMENT

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a small company as defined in sections 246 to 249 of the Companies Act 1985.

e) INVESTMENT PROPERTIES

All completed investment properties are revalued by the Directors annually and by independent valuers' at least every five years, to reflect current market value. Changes in the value of investment properties are disclosed as movements on revaluation reserve, except for permanent diminutions, which are charged to the profit and loss account.

No depreciation or amortisation is provided in respect of freehold investment property in accordance with Statement of Standard Accounting Practice 19 (revised). The Directors consider that this accounting policy results in the financial statements giving a true and fair view. Profit and losses on the sale of investment properties are calculated on the difference between proceeds and net carrying amount, whether at valuation or historical cost.

WESTVIEW INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 July 1999**1 ACCOUNTING POLICIES (continued)****e) INVESTMENT PROPERTIES (continued)**

Investment properties under development are included in the balance sheet at cost or, in the case of a property which was a previously completed investment property, at book value with subsequent expenditure at cost. Cost includes interest and other attributable direct overheads less rents received where appropriate.

Investment property sales are reflected in the accounts if an unconditional contract is exchanged by the balance sheet date the sale has been completed before the date of approval of the accounts.

f) INVESTMENTS

Fixed asset listed investments are stated at market value.

Listed investments held as current assets are stated at the lower of cost or market value, and unlisted current asset investments are stated at the lower of cost and estimated net realisable value.

2 TURNOVER	<u>Year ended</u> <u>31 July 1999</u>	<u>Year ended</u> <u>31 July 1998</u>
	<u>£</u>	<u>£</u>
Rental income	£30,000	£30,000
	<u>£</u>	<u>£</u>
3 INVESTMENT INCOME	<u>Year ended</u> <u>31 July 1999</u>	<u>Year ended</u> <u>31 July 1998</u>
	<u>£</u>	<u>£</u>
Dividend received from subsidiary undertaking	£48,879	£94,856
	<u>£</u>	<u>£</u>
4 INTEREST PAYABLE	<u>Year ended</u> <u>31 July 1999</u>	<u>Year ended</u> <u>31 July 1998</u>
	<u>£</u>	<u>£</u>
Interest on other loans due within 1 year	532,799	545,130
Interest on bank loans repayable within 5 years	119,437	179,212
	<u>£652,236</u>	<u>£724,342</u>

WESTVIEW INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 1999**

5	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	Year ended 31 July 1999	Year ended 31 July 1998
		<u>£</u>	<u>£</u>
	Loss on ordinary activities before taxation is stated after charging :		
	Auditors' remuneration	£500	£1,500
	Write down in value of fixed asset investments (note 8)	£32,777	£288,639
		<u> </u>	<u> </u>

Neither Director received any emoluments in respect of their services to the company (1998: £Nil). No other persons were employed by the company during the year (1998 : None).

6 TAXATION

There is no charge to corporation tax as the company made a loss for tax purposes.

7	INVESTMENT PROPERTIES - FREEHOLD	31st July 1999	31st July 1998
		<u>£</u>	<u>£</u>
	Balance brought forward	1,478,951	1,478,951
	Additions	-	-
	Balance carried forward	<u>£1,478,951</u>	<u>£1,478,951</u>
	Historical cost carried forward	<u>£1,478,951</u>	<u>£1,478,951</u>

Investment properties were valued on an open market value on 31 July 1999 by the Directors. No depreciation is provided in respect of investment properties, as stated in the accounting policy note 1(e). The Directors consider that this policy results in the financial statements showing a true and fair view as depreciation is reflected in the open market valuation of the property and cannot be separately quantified.

8	INVESTMENTS	Investment in Subsidiary Undertakings	Listed Investments	Total
		<u>£</u>	<u>£</u>	<u>£</u>
	Balance brought forward	5,492,611	163,888	5,656,499
	Change in net assets of subsidiaries (note 15)	1,193,969	-	1,193,969
	Write down in value	-	(32,777)	(32,777)
	Balance carried forward	<u>£6,686,580</u>	<u>£131,111</u>	<u>£6,817,691</u>

WESTVIEW INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 July 1999**8 INVESTMENTS (continued)**

The Company's subsidiary undertakings which are all registered in England and Wales are as follows:

Company Name	Percentage of Ordinary shares held	Nature of Business
Port Hampton Limited	100%	Property Investment and Mooring Hire
Terrace Hill Limited	100%	Investment Holding Company

Listed investments have been written down to the value quoted on the Alternative Investment Market at 31 July 1999 of 8.0p per share.

9 DEBTORS

	31st July 1999	31st July 1998
	£	£
Due within one year :		
Amounts due from fellow subsidiary undertakings	-	4,129
Other debtors	339,666	7,871
Due after one year :		
Amounts due from fellow subsidiary undertakings	-	3,323,961
	<u>£339,666</u>	<u>£3,335,961</u>

10 CREDITORS

	31st July 1999	31st July 1998
	£	£
Amounts falling due within one year :		
Bank loans (see note 11)	200,467	103,692
Trade creditors	1,631	16,312
Amounts due to parent undertaking	198,810	74,605
Amounts due to fellow subsidiary undertakings	620,349	-
Other creditors	6,850,110	9,178,305
Accruals	14,457	36,649
	<u>£7,885,824</u>	<u>£9,409,563</u>

WESTVIEW INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 July 1999

11 CREDITORS :	31st July 1999	31st July 1998
	£	£
Amounts falling due after more than one year		
Bank loans repayable within 2 to 5 years	715,354	1,573,559
	<u>£715,354</u>	<u>£1,573,559</u>

The bank loans are secured by a fixed charge on the company's property and a floating charge over the company's other assets and is further secured by collateral owned by the Adair Trusts and also guarantees from Platts Eyot Limited. Interest is payable at varying commercial rates.

Other loans include loans from C M Adair and M B Adair totalling £Nil (1998: £879), who have an interest in the shareholding of the company. The loans are unsecured and non interest bearing.

12 SHARE CAPITAL	31st July 1999	31st July 1998
	£	£
Authorised 1,000 ordinary shares of £1 each	£1,000	£1,000
	<u> </u>	<u> </u>
Allotted and called-up 100 Ordinary shares of £1 each	£100	£100
	<u> </u>	<u> </u>

13 REVALUATION RESERVE	31st July 1999	31st July 1998
	£	£
Balance brought forward	3,191,612	2,026,919
Change in investment in subsidiary undertakings	1,193,969	1,164,693
	<u> </u>	<u> </u>
Balance carried forward	<u>£4,385,581</u>	<u>£3,191,612</u>

Revaluation reserve is represented by changes in the investment in subsidiary undertakings.

WESTVIEW INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 July 1999**14 PROFIT AND LOSS ACCOUNT**

	<u>Year ended</u> <u>31 July 1999</u>	<u>Year ended</u> <u>31 July 1998</u>
	<u>£</u>	<u>£</u>
Balance brought forward	(3,703,423)	(2,782,493)
Loss for the period	(647,128)	(920,930)
Balance carried forward	<u>£(4,350,551)</u>	<u>£(3,703,423)</u>

15 MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Year ended</u> <u>31 July 1999</u>	<u>Year ended</u> <u>31 July 1998</u>
	<u>£</u>	<u>£</u>
Loss for the period	(647,128)	(920,930)
Change in investment in subsidiary undertakings	1,193,969	1,164,693
Opening shareholders' funds	(511,711)	(755,474)
Closing shareholders' funds	<u>£35,130</u>	<u>£(511,711)</u>

16 GUARANTEES AND FINANCIAL COMMITMENTS

There were no guarantees or financial commitments authorised or contracted for at the year end (1998 : £Nil).

17 RELATED PARTY TRANSACTIONS

The following related party transactions occurred during the period:

Interest payable to Terrace Hill (Hampton) Limited of £440,990 (1998 : £293,816). The balance due at the year end is £6,867,870 (1998 : £3,077,358).

Interest payable to Terrace Hill Group plc on loans received from that company of £91,809 (1998 : £195,495). The balance due at the year end is £Nil (1997 : £5,480,259).

Consultancy charges from Terrace Hill Partnership of £37,500 (1998 : £30,000). The balance outstanding at 31 July 1999 was £Nil (1998 £16,312).

The collateral referred to in note 11 is pledged by the Adair Trusts. RFM Adair is a director of the parent company which is controlled by life interest trusts established for the benefit of Mr Adair.

WESTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 1999

17 RELATED PARTY TRANSACTIONS (continued)

RFM Adair, a director of Westview Investments Limited, has an interest in the shareholding of Terrace Hill (Hampton) Limited and Terrace Hill Group plc of which company he is also a director and he is a partner in Terrace Hill Partnership.

NJC Turnbull, a director of Westview Investments Limited, is also a director of Terrace Hill (Hampton) Limited and Terrace Hill Group plc and he is a partner in Terrace Hill Partnership.

18 PARENT COMPANY AND CONTROLLING PARTY

The parent company is Westview Group Limited, which is registered in England and Wales.

The controlling party during the period was Saffrey Champness Trust Corporation, trustees of a life interest trust of which RFM Adair is a beneficiary.