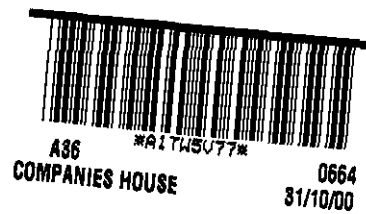


Company Registration No: 2969815

D S (DEVELOPMENT CO-ORDINATION) LIMITED

Report and Financial Statements

31 December 1999



REPORT AND FINANCIAL STATEMENTS 1999

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
R H Pearse
C J Barwick
Development Securities Estates PLC

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Stag Place
London SW1E 5DS

SOLICITORS

Linklaters
1 Silk Street
London EC2Y 8HQ

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITY AND REVIEW OF DEVELOPMENTS

The principal activity of the company at present and for the foreseeable future is the provision of project management services. The future prospects of the company as part of the Development Securities PLC group are set out in the 1999 Report and Financial Statements of Development Securities PLC, the ultimate parent company.

RESULTS AND DIVIDENDS

During the current year the company made neither a profit nor a loss. The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a final dividend (1998: £275,000).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office throughout the year were as follows:

M H Marx
R H Pearce
Development Securities Estates PLC
C J Barwick

The interests of M H Marx and C J Barwick at 31 December 1999 in the 50p ordinary shares of Development Securities PLC and options granted to them under that company's share option scheme are disclosed in the 1999 Report and Financial Statements of that company.

The options outstanding under the Development Securities PLC options schemes to the ensuing director are exercisable as follows:

	<i>Date of Grant</i>	<i>Number</i>	<i>Exercise Dates</i>	<i>Exercise Price</i>
R H Pearce	27 June 1995	100,000 ⁽¹⁾	27 June 1998 to 26 June 2005	168.0p
	6 May 1997	7,040 ⁽²⁾	1 June 2002 to 30 November 2002	196.0p
	21 May 1998	20,000 ⁽¹⁾	21 May 2001 to 20 May 2008	328.5p
	7 June 1999	920 ⁽²⁾	1 July 2002 to 31 December 2002	210.5p

(1) Granted under the Executive Share Option Scheme 1995, with a performance condition that the net assets per ordinary share of the Development Securities PLC Group are equal to or in excess of the average growth in the All Properties Capital Growth Index during the same period over three consecutive financial years.

(2) Granted under the Savings Related Option Scheme 1995.

PAYMENT POLICY

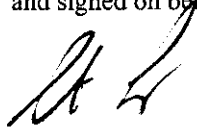
Amounts due to suppliers are settled promptly by Development Securities PLC on behalf of the company within their terms of payment, except in cases of dispute. The number of days' outstanding for the Development Securities PLC group at 31 December 1999 was 5 days (1998: 19 days).

DIRECTORS' REPORT (continued)

AUDITORS

A resolution concerning the reappointment of Deloitte & Touche as auditors is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'S A Lanes', written over a horizontal line.

S A Lanes
Secretary

23 October 2000

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 as at the end of the financial year and of its profit or loss 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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a 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 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.

REPORT OF THE AUDITORS' TO THE MEMBERS OF D S (DEVELOPMENT CO-ORDINATION) LIMITED

We have audited the financial statements on pages 6 to 9 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

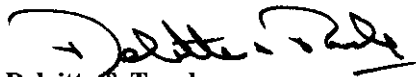
Basis of opinion

We conducted our audit in accordance with 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 31 December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London EC4A 3TR

23 October 2000

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1999

	Note	1999 £	1998 £
TURNOVER	1	<u>-</u>	<u>195,000</u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	2	<u>-</u>	<u>195,000</u>
Dividends on equity shares	3	<u>-</u>	<u>(275,000)</u>
LOSS RETAINED FOR THE FINANCIAL YEAR		<u><u>-</u></u>	<u><u>(80,000)</u></u>

All turnover, profits and losses derive from continuing operations.

There are no recognised gains or losses or other movements in shareholders' funds other than the result for the current financial year and the loss for the preceding financial year.

D S (DEVELOPMENT CO-ORDINATION) LIMITED

BALANCE SHEET
31 December 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Debtors	4	<u>425,100</u>	<u>425,100</u>
NET ASSETS		<u>425,100</u>	<u>425,100</u>
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		<u>425,000</u>	<u>425,000</u>
EQUITY SHAREHOLDERS' FUNDS		<u>425,100</u>	<u>425,100</u>

These financial statements were approved by the Board of Directors on 23 October 2000.

Signed on behalf of the Board of Directors



M H Marx
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

1 ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover represents income from project management services provided in the United Kingdom during the year and is stated net of Value Added Tax.

2 OPERATING PROFIT

None of the directors received any emoluments from the company during the year (1998: £nil).

The auditors' remuneration for the current and preceding financial year has been borne by Development Securities PLC, the ultimate parent company.

The company does not have any employees (1998: nil).

3 DIVIDENDS

	1999 £	1998 £
Final dividend: £nil (1998: £2,750)	<u>-</u>	<u>275,000</u>

4 DEBTORS

	1999 £	1998 £
Amounts due from ultimate parent company	<u>425,100</u>	<u>425,100</u>

5 CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised, called up, allotted and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 1999

6 ULTIMATE AND IMMEDIATE CONTROLLING PARTIES

The ultimate parent and controlling company of the largest and smallest group for which consolidated accounts are produced is Development Securities PLC. The immediate controlling company is Development Securities (Projects) Limited. Both companies are registered in England and Wales. Copies of the Report and Financial Statements of Development Securities PLC and Development Securities (Projects) Limited can be obtained from Portland House, Stag Place, London SW1E 5DS.

7 RELATED PARTY DISCLOSURE

The company is a wholly owned subsidiary undertaking and, in accordance with the exemption provided by Financial Reporting Standard No. 8, "Related Party Disclosures," transactions with other undertakings within the Development Securities PLC Group have not been disclosed within these financial statements.