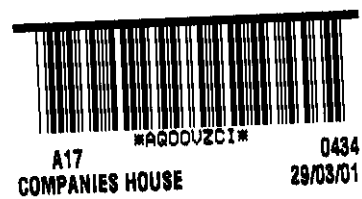


LONDON & REGIONAL DEVELOPMENTS LTD

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FINANCIAL ACCOUNTS FOR THE  
PERIOD ENDED 31ST MAY 2000



NEWTON BROWN & COMPANY  
ACCOUNTANTS

LONDON & REGIONAL DEVELOPMENTS LTD

DIRECTORS:	I C Cawkwell G Houghton
SECRETARY:	P A Brown
REGISTERED NUMBER:	3226661
REGISTERED OFFICE:	Rudyard House Shiremoor
BANKERS:	Barclays Bank Plc Hatton Gardens
ACCOUNTANTS:	Newton Brown & Co. Jarrow

LONDON & REGIONAL DEVELOPMENTS LTD

FINANCIAL ACCOUNTS  
FOR THE PERIOD ENDED 31ST MAY 2000

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1. Report of the Directors
2. Accountants' Report
3. Profit and Loss Account
4. Balance Sheet
- 5 - 6. Notes to the Accounts

The following page does not form part of the Statutory Accounts  
**Appendix**

1. Trading and Profit and Loss Account

**LONDON & REGIONAL DEVELOPMENTS LTD**  
**REPORT OF THE DIRECTORS**

**FOR THE PERIOD ENDED 31ST MAY 2000**

The directors present their annual report with the accounts of the company for the period ended 31st May 2000.

**PRINCIPAL ACTIVITY**

The company's principal activity during the period was property development.

**DIRECTORS**

The directors in office in the period and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>2000</u>	<u>1999</u>
I C Cawkwell	33	33
G Houghton	33	33

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial accounts 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 accounts 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 accounts 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 accounts 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.

continued.....

LONDON & REGIONAL DEVELOPMENTS LTD  
REPORT OF THE DIRECTORS (CONTINUED)

FOR THE PERIOD ENDED 31ST MAY 2000

**STATUS**

The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

**SMALL COMPANY EXEMPTIONS**

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the  
board of directors




27.3.01

Mr P A Brown  
Secretary

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF  
LONDON & REGIONAL DEVELOPMENTS LTD

In accordance with instructions given to us we have prepared financial accounts for the company for the period ended 31st May 2000 according to the accounting provisions of the Companies Act 1985. The directors of the company have confirmed that the company is totally exempt from the audit requirement under the provisions of subsection 1 of section 249A of the Companies Act 1985, and as a result we have not carried out an audit. The financial accounts on pages 3 to 6 are therefore based on the information shown in the accounting records and on the information supplied and explanations given to us by the directors.



27.2.01

NEWTON BROWN & COMPANY  
Accountants  
Henry Studdy House  
139 Bedeburn Road  
Jarrow  
Tyne & Wear  
NE32 5AZ

LONDON & REGIONAL DEVELOPMENTS LTDPROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31ST MAY 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
TURNOVER	2	-	3,721,595
Cost of Sales		-	3,198,272
<u>GROSS PROFIT</u>		-	523,323
Net Operating Expenses			
Administrative Expenses		598	148,546
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE INTEREST</u>		(598)	374,777
Interest Payable		-	145,457
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>	3	(598)	229,320
Tax on Ordinary Activities	4	(5,018)	51,180
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		4,420	178,140
Dividends		-	120,000
<u>RETAINED PROFIT FOR THE PERIOD/YEAR</u>		<u>£ 4,420</u>	<u>£ 58,140</u>
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit/(Loss) Brought Forward		17,061	(41,078)
Retained Profit for the Period/Year		4,420	58,140
<u>RETAINED PROFIT CARRIED FORWARD</u>		<u>£ 21,481</u>	<u>£ 17,062</u>

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

There were no recognised gains or losses other than the profit or loss for the above two financial periods.

The notes on pages 5 to 6 form part of these accounts.

LONDON & REGIONAL DEVELOPMENTS LTDBALANCE SHEET  
AS AT 31ST MAY 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
<b>CURRENT ASSETS</b>			
Debtors	5	179,581	225,535
Cash at Bank and in Hand		3,448	6,333
		<u>183,029</u>	<u>231,868</u>
<b>CREDITORS : Amounts Falling Due within One Year</b>	6	<u>(161,448)</u>	<u>(214,704)</u>
<b>NET CURRENT ASSETS</b>		<u>21,581</u>	<u>17,164</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 21,581</u>	<u>£ 17,164</u>
 <b>CAPITAL AND RESERVES</b>			
Share Capital	7	100	100
Profit and Loss Account	8	<u>21,481</u>	<u>17,064</u>
<b><u>TOTAL SHAREHOLDERS' FUNDS</u></b>		<u>£ 21,581</u>	<u>£ 17,164</u>

Continued.....



LONDON & REGIONAL DEVELOPMENTS LTDBALANCE SHEET  
(continued)  
AS AT 31ST MAY 2000

The directors consider that for the period ended 31st May 2000 the company was entitled under subsection 1 of section 249A of the Companies Act 1985. No member of members have deposited a notice requesting an audit for the current financial period under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with the section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

In the preparation of the accounts advantage has been taken of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

Signed on behalf of  
the board of directors



Director

Approved by the board: 27.8.01

The notes on pages 5 to 6 form part of these accounts

**LONDON & REGIONAL DEVELOPMENTS LTD****NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED 31ST MAY 2000****1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified to incorporate the revaluation of certain fixed assets.

**Work in Progress**

Work in progress is valued at the lower of cost and net realisable value and includes all direct costs incurred in connection with the development of the property being undertaken by the company.

**Cash Flow Statement**

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the period.

**2. TURNOVER**

All sales were within the United Kingdom.

**3. OPERATING (LOSS)/PROFIT**

The Operating Loss (1999 - Profit) is stated after charging:

	<u>2000</u> £	<u>1999</u> £
Auditors' Remuneration	-	700

**4. TAXATION**

The tax charge on the loss on ordinary activities was as follows:

	<u>2000</u> £	<u>1999</u> £
Corporation Tax	(5,018)	51,180

LONDON & REGIONAL DEVELOPMENTS LTDNOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31ST MAY 20005. DEBTORS

	<u>2000</u> £	<u>1999</u> £
Other Debtors	179,581	225,535
Included in debtors are the following loans to participants:-		
	<u>1.8.99</u>	<u>31.5.00</u>
Mr G Houghton	91,598	18,288
		<u>Maximum in Year</u>
		91,598

6. CREDITORS: Amounts Falling Due within One Year

	<u>2000</u> £	<u>1999</u> £
Trade Creditors	40,399	62,152
Social Security and Other Taxes	56,175	82,196
Other Creditors	64,872	70,356
	<u>161,448</u>	<u>214,704</u>

7. SHARE CAPITAL

	<u>2000</u> £	<u>1999</u> £
Authorised	1,000	1,000
Allotted, Issued and Fully Paid	<u>100</u>	<u>100</u>

8. RESERVES

	<u>Profit &amp; Loss A/c</u> £
At 1st August 1999	17,061
Retained Profit for the Period	<u>4,420</u>
At 31st May 2000	<u>21,481</u>