

MANSELL PROPERTY INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2000



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MANSELL Property Investments Limited

Directors

Sir John Wickerson, LLB (Chairman)
P.A. Cleaver, BSc, CEng, MICE
P.H. Coats, CA, FCT
S.J. Waite, FRICS, MCIOB

Secretary and Registered Office

R. Cordeschi, ACIS
Roman House, 13/27 Grant Road, Croydon, Surrey, CR9 6BU

Report of the directors

The directors submit their report and financial statements for the period ended 31 December 2000.

Review of activities

The company owns and lets business property, mainly to fellow subsidiary companies. The directors consider that the market values of the company's properties are at least equivalent to that stated in the financial statements.

Profit and loss account

The loss after taxation for the year amounted to £327,307 (1999: loss of £492,886). The directors do not recommend the payment of a dividend for the year. (1999: £nil).

Directors

Mr D.E. Beardsmore resigned as a director on 1 January 2001.

Interests in the group

Sir John Wickerson, Mr D.E. Beardsmore, Mr P.H. Coats, Mr P.A. Cleaver and Mr S.J. Waite were, at 31 December 2000, also directors of the parent company, MANSELL plc, and their interests in the group, as defined by the Companies Act 1985, are set out in the directors' report attached to the financial statements of that company for the year ended 31 December 2000.

No director had any direct interest in the share capital of the company at any time during the period.

The "Elective Regime"

At the Annual General Meeting held on 24 November 1999, the company adopted a resolution under the terms of Section 379A, Companies Act 1985 (as amended), to take advantage of the full range of procedural relaxations permitted by that provision. Accordingly, no Annual General Meeting is to be held and the accounts will not be laid before the members.

Auditors

The auditors, Moore Stephens, are willing to continue in office.

By Order of the Board



R. Cordeschi

Company Secretary

MANSELL Property 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

MANSELL Property Investments Limited

Auditors' report

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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

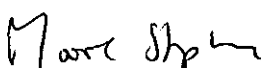
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, and of whether the accounting policies are appropriate to the company's 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 statement 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 affairs of the company as at 31 December 2000 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House
Warwick Lane
London
EC4P 4BN


Moore Stephens
Chartered Accountants and
Registered Auditors

5 April 2001

MANSELL Property Investments Limited

**Profit and loss account
for the year ended 31 December 2000**

	<u>Note</u>	<u>2000</u>	<u>1999</u>
Turnover	1(b)	1,256,743	1,724,248
Administrative expenses		271,896	916,637
		<hr/>	<hr/>
Operating profit	2	984,847	807,611
Net interest	3	1,382,698	1,400,000
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(397,851)	(592,389)
Tax credit on loss on ordinary activities	4	70,544	99,503
		<hr/>	<hr/>
Retained loss for the year		<u>£ (327,307)</u>	<u>£ (492,886)</u>


The company has no recognised gains or losses other than those included in the profit and loss account.

Mansell Property Investments Limited

Balance Sheet at 31 December 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
Fixed assets			
Tangible assets	5	15,394,781	15,662,784
Investments	6	1,540,002	-
		<hr/>	<hr/>
		16,934,783	15,662,784
		<hr/>	<hr/>
Current assets			
Debtors	7	3,380,751	1,849,793
Creditors: amounts falling due within one year	8	1,756,761	44,497
		<hr/>	<hr/>
Net current assets		1,623,990	1,805,296
		<hr/>	<hr/>
Total assets less current liabilities		18,558,773	17,468,080
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	9	19,301,288	17,883,288
		<hr/>	<hr/>
		£ (742,515)	£ (415,208)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account (deficit)	11	(752,515)	(425,208)
		<hr/>	<hr/>
Equity shareholders' funds		£ (742,515)	£ (415,208)
		<hr/>	<hr/>

These financial statements were approved by the board on 5 April 2001


 P. H. COATS
 Director

MANSELL Property Investments Limited

Notes to the financial statements

1. Principal accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards. Consolidated accounts are not prepared as the company itself is part of a larger group, MANSELL plc, which publishes consolidated accounts.

(b) Turnover

Turnover represents rents receivable, excluding VAT.

(c) Depreciation

Depreciation is provided on freehold and long leasehold properties in equal instalments over their expected lives of twenty years.

(d) Stocks

Stocks are valued at the lower of cost and net realisable value.

(e) Deferred taxation

No provision is made for tax on capital gains which would arise if the properties were disposed of at the valuations at which they are included in the financial statements unless disposal is anticipated.

2.	Operating profit	<u>2000</u>	<u>1999</u>
	Operating profit is arrived at after charging:		
	Depreciation	£ 201,669	£ 225,000
		<u> </u>	<u> </u>
	Audit fees are paid by the parent company.		
3.	Net interest		
	Payable on debenture loans repayable within 2 to 5 years (note 9)	1,418,000	1,400,000
	Bank interest receivable	(35,302)	-
		<u> </u>	<u> </u>
		£ 1,382,698	£ 1,400,000
		<u> </u>	<u> </u>
4.	Tax credit on loss on ordinary activities		
	UK Corporation Tax based on the loss for the year as adjusted for taxation purposes at a rate of 30.0% (1999 : 30.25%)	62,000	99,503
	Adjustment in respect of prior years	8,544	-
		<u> </u>	<u> </u>
		£ 70,544	£ 99,503
		<u> </u>	<u> </u>

Mansell Property Investments Limited

Notes to the financial statements

5. Tangible fixed assets	Freehold land and buildings
Cost	
At 1 January 2000	15,940,268
Additions	103,666
Transfer to stocks	(170,000)
	<hr/>
At 31 December 2000	15,873,934
	<hr/>
Depreciation	
At 1 January 2000	277,484
Charge for the year	201,669
	<hr/>
At 31 December 2000	479,153
	<hr/>
Net book value	
At 31 December 2000	£ 15,394,781
	<hr/> <hr/>
At 31 December 1999	£ 15,662,784
	<hr/> <hr/>
 6. Fixed asset investments	
Investments in subsidiary undertakings	£
At 1 January 2000	-
Additions at cost	1,540,002
	<hr/>
At 31 December 2000	£ 1,540,002
	<hr/> <hr/>

The company's wholly owned subsidiary undertakings are:

R Mansell (Properties) Limited
R Mansell (Lettings) Limited.

Both of these companies are registered in England and their principal activities are the ownership of property for group use or letting and for investment. MANSELL Property Investments Limited owns 100% of the ordinary £1 shares of both of these companies.

Mansell Property Investments Limited

Notes to the financial statements

7. Debtors	<u>2000</u>	<u>1999</u>
All amounts fall due within one year:		
Group relief receivable	-	113,000
Corporation tax recoverable	496,000	-
Owed by group companies	2,814,535	1,736,793
Other debtors	26,204	-
Prepayments	44,012	-
	<hr/>	<hr/>
	£ 3,380,751	£ 1,849,793
	<hr/>	<hr/>
 8. Creditors: amounts falling due within one year		
Owed to group companies	1,540,002	44,266
Corporation tax	-	231
Other creditors	110,000	-
Accruals	106,759	-
	<hr/>	<hr/>
	£ 1,756,751	£ 44,497
	<hr/>	<hr/>
 9. Creditors: amounts falling due after more than one year		
Debenture loan - owed to group company	£ 19,301,288	£ 17,883,288
	<hr/>	<hr/>

The debenture is repayable in 2003 and interest is payable at 8.75% p.a.

Mansell Property Investments Limited

Notes to the financial statements

	<u>2000</u>	<u>1999</u>
10. Called up share capital		
Ordinary shares of £1 each:		
Authorised	£ 1,000,000	£ 1,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid	£ 10,000	£ 10,000
	<hr/>	<hr/>
11.75% Preference shares of £1 each:		
Authorised	£ 24,336,959	£ 24,336,959
	<hr/>	<hr/>
Issued	£ -	£ -
	<hr/>	<hr/>
11. Reserves		Profit and loss account
At 1 January 2000 (deficit)		(425,208)
Retained loss for the financial year		(327,307)
		<hr/>
At 31 December 2000 (deficit)		£ (752,515)
		<hr/>
12. Reconciliation of movements in equity shareholders' funds		
	<u>2000</u>	<u>1999</u>
Retained loss for the financial year	(327,307)	(492,886)
Share capital issued	-	9,998
Opening equity shareholders' funds	(415,208)	67,680
	<hr/>	<hr/>
Closing equity shareholders' funds	£ (742,515)	£ (415,208)
	<hr/>	<hr/>
13. Ultimate parent undertaking		
The company is a wholly-owned subsidiary of MANSELL plc, which is incorporated in Great Britain. Copies of the group accounts may be obtained from the Company Secretary, MANSELL plc, Roman House, Grant Road, Croydon CR9 6BU.		