

DELACONTE LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999



Registered no. 3498871

MERCERS' HALL
IRONMONGER LANE
LONDON
EC2V 8HE

DELACONTE LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and audited accounts for the period ended 31 December 1999.

Principal activity

The principal activity of the Company during the year was property construction.

Results and dividends

The profit after adjusting for tax for the financial year is £57,000 (11 months to 31 December 1998 - £41,000) and has been transferred to reserves. The Directors do not propose to declare a dividend for the financial year.

Directors

The Directors of the Company during the year were :

H A F Buxton, DL	
C S Clayton	
Alderman Sir Alexander Graham, GBE	(Chairman)
D H Hodson	
Sir Richard Lloyd, Bt	(appointed 15 December 1999)
C H Parker	
C J Vermont	
J P G Wathen	
J A Watney	
R K Westmacott	

The Company has a directors' and officers' insurance policy which indemnifies the Directors and Officers of the Company against breach of fiduciary duty.

Directors' interests

None of the Directors had any beneficial interest in the Company during the year.

Review of the business and future developments

The Company entered into a contract for £5,650,000 with Acon Investments Limited in 1998. The contract required the Company to build a music school and sports hall in the grounds of the St Paul's School and St Paul's Girls' School respectively. The music school was completed in September 1999 and the sports hall in October 1999.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the Company will be proposed at the Annual General Meeting.

DELACONTE LIMITED**REPORT OF THE DIRECTORS (continued)****Directors' responsibilities**

Company law requires directors to prepare financial statements for each financial year that give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable;
- (ii) prepare the financial statements on a going concern basis unless it is not appropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

R R Pope
Secretary



19 May

2000

DELACONTE LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the annual report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Acts. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

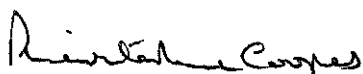
Basis of opinion

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 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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



11 May 2000

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
No 1 London Bridge
London SE1 9QL

DELACONTE LIMITED

PROFIT AND LOSS ACCOUNT

	Notes	Year ended 31 December 1999 £'000	Period from incorporation to 31 December 1998 £'000
Turnover	2	3,361	2,301
Property construction costs		(3,295)	(2,256)
Gross profit		66	45
Administration expenses	3	(1)	(1)
Operating profit		65	44
Interest receivable		8	10
Interest payable		(1)	(1)
Profit on ordinary activities before taxation		72	53
Tax on profit on ordinary activities	4	(15)	(12)
Retained profit for the financial year		57	41

All recognised gains and losses have been included in the profit and loss account. All turnover and expenditure relates to continuing activities.

The notes on pages 5 and 6 form an integral part of these financial statements.

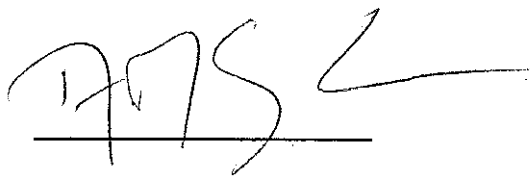
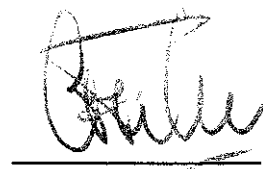
DELACONTE LIMITED

BALANCE SHEET

	Notes	31 December 1999 £'000	31 December 1998 £'000
Current assets			
Debtors	5	284	3,047
Cash		221	646
		<u>505</u>	<u>3,693</u>
Current liabilities			
Creditors - amounts falling due within one year	6	(407)	(3,652)
Net assets		<u>98</u>	<u>41</u>
Capital and reserves			
Share capital	7	-	-
Revenue reserves	8	98	41
Shareholders' funds		<u>98</u>	<u>41</u>

The notes on pages 5 and 6 form an integral part of these financial statements.

The financial statements were approved by the Directors and are signed on their behalf by:

Date:

19 May 2000

DELACONTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1999

1 Accounting policies

(i) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(ii) Turnover

The turnover comprises amounts due in respect of construction services provided.

(iii) Cashflow

The Company has taken advantage of the exemption permitted by FRS1 for smaller companies and has not provided a cashflow statement.

2 Turnover

Turnover of £3,361,000 comprises amounts due from Acon Investments Limited in respect of on-going development work.

3 Administration expenses

Administration expenses comprise auditors' remuneration only. The Directors did not receive emoluments in respect of their services for the period. All other administrative costs are borne by the parent, the Mercers' Company.

4 Taxation

	1999 £'000	1998 £'000
Corporation tax at 21%	15	12

5 Debtors

	1999 £'000	1998 £'000
Trade debtor (Acon Investments Limited)	254	2,899
VAT recoverable	1	148
Other debtors	29	-
	<u>284</u>	<u>3,047</u>

6 Creditors - amounts falling due within one year

	1999 £'000	1998 £'000
Trade creditors	392	291
Corporation tax	15	12
Deferred income (balance of construction contract)	-	3,349
	<u>407</u>	<u>3,652</u>

DELACONTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1999 (CONTINUED)

7 Share capital	1999 Number	1998 Number
Share capital is made up of ordinary £1 shares		
Authorised	<u>100</u>	<u>100</u>
Issued and uncalled	<u>2</u>	<u>2</u>
8 Revenue reserves		
	1999 £'000	1998 £'000
Retained profit at 1 January	41	-
Profit for the period	<u>57</u>	<u>41</u>
Retained profit at 31 December	<u>98</u>	<u>41</u>
9 Reconciliation of movements in shareholders' funds		
	1999 £'000	1998 £'000
Shareholders' funds at 1 January	41	-
Profit for the year	<u>57</u>	<u>41</u>
Shareholders' funds at 31 December	<u>98</u>	<u>41</u>

10 Ultimate parent company

The ultimate parent company is the Mercers' Company, incorporated under Royal Charter in England.

11 Capital commitments

The Company has contractual commitments with Acon Investments Limited to complete its development obligations for the music school and sports hall.

12 Contingent liabilities

The Company had no contingent liabilities at the year end (1998- nil).

13 Related party transactions

The shares of the Company are held by the Mercers' Company, a company incorporated under Royal Charter.

In 1998, the Company entered into a contract with Acon Investments Limited ("Acon"), a company also under the control of the Mercers' Company, to construct a music school at St Paul's School and a sports hall at St Paul's Girls' School.

The value of income from Acon during the year totalled £3,361,000 and £254,000 is outstanding from Acon at the year end.