

Molins Corporate Services Limited

(Registered in England & Wales, number: 3658699)

Annual Report and Financial Statements

31 December 1999

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Molins Corporate Services Limited

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the period 29 October 1998 to 31 December 1999.

1. Principle activities and results

The Company was incorporated on 29 October 1998 and on 3 November 1998 was appointed as a director of several wholly owned UK subsidiaries of Molins PLC.

The Company has not traded during the period. The directors do not recommend the payment of a dividend.

2. Directors

The directors who served during the period were as follows:

Waterlow Nominees Limited	(Appointed 29 October 1998, resigned 29 October 1998)
Mr C J Horton	(Appointed 29 October 1998)
Mr P W Grant	(Appointed 29 October 1998)

The following changes have occurred since the 31 December 1999:

Mr P W Grant resigned as a director on 9 February 2000 and
Mr D J Cowen was appointed a director on 11 February 2000.

3. Directors' interests

The notifiable interest in shares of P W Grant, who is also a director of Molins PLC, is as disclosed in the financial statements of that company.

The notifiable interest in shares for Mr C J Horton is as follows:

- a. Options to subscribe for ordinary 25p shares of Molins PLC under the Molins Share Option Schemes:

	On appointment	Exercised in 1999	Granted in 1999	31 Dec 1999	Option price	Exercise period
(i)	15,000	-	-	15,000	130p	08.09.2001 to 07.09.2008
(ii)	-	-	1,959	1,959	89p	04.01.2003 to 03.07.2003
	-----	-----	-----	-----		
	15,000	-	1,959	16,959		
	=====	=====	=====	=====		

(i) Option under Molins PLC 1993 Executive Share Option Scheme

(ii) Option under Molins PLC 1993 Savings-related Share Option Scheme

Molins Corporate Services Limited

REPORT OF THE DIRECTORS *(continued)*

4. Directors' interests *(continued)*

Mr C J Horton continued

b. Ordinary 25p shares of Molins PLC

On appointment	31 Dec 1999
650	650
=====	=====

c. Conditional award under Molins Long Term Incentive Plan

Mr Horton received a conditional grant of 24,271 Molins ordinary shares of 25p on 26 April 1999 when the mid-market price of those shares was 130p per share.

5. Dormant status

A shareholder's resolution exempting the Company from the provisions of Part VII of the Companies Act 1985 relating to the audit of accounts and from the obligation to appoint auditors was passed on 25 February 2000.

By Order of the Board



A L Pennycuick
Secretary

7 April 2000

Molins Corporate Services 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 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Molins Corporate Services Limited

REPORT OF THE AUDITOR, KPMG Audit Plc, TO THE MEMBERS OF MOLINS CORPORATE SERVICES LIMITED

We have audited the financial statements on pages 6 and 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 Companies Act. 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 information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

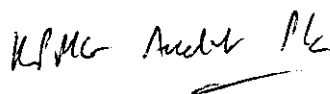
Basis of audit opinion

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



KPMG Audit Plc
Chartered accountants
Registered auditor
London

7 April 2000

Molins Corporate Services Limited

BALANCE SHEET AS AT 31 DECEMBER

	Notes	31 December 1999 £
Current Assets		
Debtors		2
		=====
CAPITAL AND RESERVES:		
<u>Share capital</u>		
Authorised:		
100 Ordinary Shares of £1 each		
 Called up share capital		
2 Ordinary Shares of £1 each		2
		=====
Equity shareholders' funds		2
		=====

The notes on page 7 form part of the financial statements.

The Company did not trade during the period 29 October 1998 to 31 December 1999.

These financial statements were approved by the board of directors on 7 April 2000.

Signed on behalf of the directors



C J Horton
Director

Molins Corporate Services Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 29 OCTOBER 1998 TO 31 DECEMBER 1999

The Company was did not trade during the period 29 October 1998 to 31 December 1999. It received no income and incurred no expenditure and, consequently, made neither a profit nor a loss. Neither are there any recognised gains and losses. Accordingly no profit and loss account or cash flow statement is presented.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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

2. Information regarding employees and directors' remuneration

a. Employees

The Company has no employees.

b. Directors' remuneration

The directors received no remuneration in respect of their duties in relation to the Company.

3. Ultimate holding company

The Company is a wholly owned subsidiary undertaking of Molins PLC, a company registered in England and Wales. Molins PLC is also the Company's ultimate controlling party and heads the only group which draws up consolidated financial statements in which the Company is included. Copies of the financial statements of Molins PLC are obtainable from The Company Secretary, Molins PLC, 11 Tanners Drive, Blakelands, Milton Keynes, Bucks MK14 5LU.