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Company Registration No. 3728788 (England and Wales)

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
DIRECTORS' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 1999



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ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
COMPANY INFORMATION

Directors	M. S. Chadha D. E. Buckland
Secretary	I. R. McKerchar
Company number	3728788
Registered office	Acre House 11-15 William Road London NW1 3ER
Business address	82 Mount Street London W1Y 5HH
Auditors	H.W. Fisher & Company Acre House 11-15 William Road London NW1 3ER

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
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ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 1999

The directors present their report and accounts for the period ended 30 June 1999.

Principal activities

The company was incorporated on 9 March 1999, and commenced trading on 31 March 1999. The company changed its name on 1 April 1999.

The principal activity of the company is that of property trading.

Review of business

Both the level of business and the period end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Results and dividends

The profit for the period after taxation amounted to £4,636.

Year 2000 compliance

The company's operations have not been significantly affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000. The directors have considered whether there remains a risk that such problems may still arise. No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

Directors and their interests

The directors at 30 June 1999 and their beneficial interests in the shares of the company were:

Ordinary shares of £1 each

30 June 1999 **1 July 1998**

M. S. Chadha	-	-
D. E. Buckland	-	-

M. S. Chadha and D. E. Buckland were appointed directors on 18 March 1999.

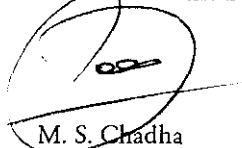
In addition, C. M. Duffill was appointed director on 9 March 1999 and resigned on 18 March 1999.

The interests of those directors who are also directors of the holding company, are disclosed in that company's accounts.

Auditors

H.W. Fisher & Company were appointed auditors to the company and a resolution proposing that they be reappointed will be put to the members at the next Annual General Meeting.

On behalf of the Board



M. S. Chadha

Director

Dated: 22/4/00

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare 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 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 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 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.

**ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
AUDITORS' REPORT
TO THE SHAREHOLDERS**

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and 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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

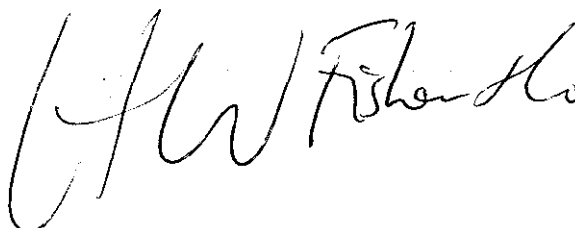
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

H.W. Fisher & Company

Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER



Dated: 28/4/00

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 1999

	Notes	Period ended 30 June 1999 £
Administrative expenses		(13,649)
Operating loss	2	(13,649)
Other income	4	18,285
Profit on ordinary activities before taxation		4,636
Tax on profit on ordinary activities	5	-
Profit on ordinary activities after taxation		4,636
Accumulated loss brought forward		-
Retained profit carried forward		4,636

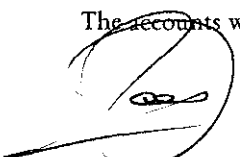
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
BALANCE SHEET
AS AT 30 JUNE 1999

	Notes	1999 £	£
Fixed assets			
Investments	6		100
Current assets			
Stock of properties	7	711,862	
Debtors	8	6,138	
		<u>718,000</u>	
Creditors: amounts falling due within one year	9	<u>(713,463)</u>	
Net current assets			<u>4,537</u>
Total assets less current liabilities			<u><u>4,637</u></u>
Capital and reserves			
Called up share capital	10		1
Profit and loss account			<u>4,636</u>
Shareholders' funds - all equity interests	11		<u><u>4,637</u></u>

The accounts were approved by the Board on 28/4/2000


M. S. Chadha
Director

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 1999

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Investments

Fixed asset investments are stated at cost less any provision for permanent diminution in value.

1.3 Stock of properties

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

2 Operating loss	1999
	£
Operating loss is stated after charging:	
Auditors' remuneration	1,500

3 Employees

Number of employees

There were no employees during the period.

4 Other income	1999
	£
Interest receivable	10
Rent receivable	18,275
	18,285

5 Tax on profit on ordinary activities

There was no tax charge for the year due to the availability of group relief.

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 1999

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 9 March 1999	-
Additions	100
	<hr/>
At 30 June 1999	100
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Acre 257 Ltd	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Acre 257 Ltd	100	-
	<hr/>	<hr/>

7 Stock of properties

	1999 £
Properties held for resale	711,862
	<hr/>

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 1999

8	Debtors	1999
		£
	Amounts owed by ultimate parent undertakings	5,888
	Other debtors	250
		<u>6,138</u>
9	Creditors: amounts falling due within one year	1999
		£
	Amounts owed to parent undertakings	711,861
	Other creditors	102
	Accruals and deferred income	1,500
		<u>713,463</u>
10	Share capital	1999
		£
	Authorised	
	100 Ordinary shares of £1 each	100
		<u>100</u>
	Allotted, called up and fully paid	
	1 Ordinary shares of £1 each	1
		<u>1</u>
11	Reconciliation of movements in shareholders' funds	1999
		£
	Profit for the financial period	4,636
	New share capital subscribed	1
		<u>4,637</u>
	Net addition to shareholders' funds	4,637
	Opening shareholders' funds	-
		<u>4,637</u>
	Closing shareholders' funds	<u>4,637</u>

ALLREFIT LIMITED
(FORMERLY ACRE 257 LIMITED)
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 1999

12 Related party transactions

During the year the company purchased property from Acre 257 Limited, a subsidiary of TAM Group Ltd, whose ultimate parent company is Capital Property Holdings Plc, on an arm's length basis for a total consideration of £675,000. D. E. Buckland is a director of TAM Group Limited and has an interest in the shares of that company. M. S. Chadha is a director of TAM Group Limited and Capital Property Holdings Plc and has an interest in the shares of Capital Holdings Plc.

In addition, the company paid management fees of £11,000 to Acre 258 Limited, its immediate parent company.

The company's stock of properties and any rental income therefrom have been provided by the company as security against borrowings of its immediate parent company.

13 Controlling parties

The directors regard Thorneycroft Asset Management Limited as the company's ultimate parent company and controlling party.