

CHELSFIELD (BLOOMSBURY) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1999



CHELSEFIELD (BLOOMSBURY) LIMITEDDIRECTORS' REPORT

The directors present their report and financial statements for the period from 21 April 1999, the date of incorporation, to 31 December 1999.

Principal activity

The company has not traded during the period and, accordingly, a profit and loss account is not presented. Subsequent to the year end, the company acquired an interest in property and an investment in a subsidiary company, namely Chelsfield (Woburn Place) Limited. This principal activity is expected to continue in the foreseeable future.

Change of name

The company was incorporated in the name of Weatherbeater Doors Limited. The name was changed to Nominal Corporation Limited on 27 August 1999 and to Chelsfield (Bloomsbury) Limited on 23 June 2000.

Directors and directors' interests

The directors who held office during the period were as follows:

|                           |   |
|---------------------------|---|
| Instant Companies Limited | (appointed 21 April 1999; resigned 21 April 1999)     |
| A Parkinson               | (appointed 21 April 1999; resigned 16 August 1999)    |
| Jl Henderson              | (appointed 21 April 1999; resigned 16 August 1999)    |
| SJ O'Brien                | (appointed 16 August 1999; resigned 24 February 2000) |
| DT Batchelor              | (appointed 16 August 1999; resigned 24 February 2000) |

The beneficial interests of the directors in the share capital of the company at the beginning and end of the period were as follows:

|                           | 21 April<br>1999<br>Ordinary<br>shares | 31 December<br>1999<br>Ordinary<br>shares |
|---------------------------|--|---|
| Instant Companies Limited | 1                                      | -   |
| SJ O'Brien                | -                                      | 1   |
| DT Batchelor              | -                                      | 1   |

Subsequent to the year end, Chelsfield plc became the holding company and Messrs E Bernerd, RE Butler, WN Hugill and D Phillips were appointed directors of the company.

Auditors

Following the appointment during the period of KPMG Audit Plc as auditors of the company by the directors, a resolution proposing their re-appointment will be submitted to the Annual General Meeting.

By order of the board



K A Cook  
Secretary  
29 September 2000

67 Brook Street  
London  
W1K 4NJ

CHELSEFIELD (BLOOMSBURY) LIMITEDDIRECTORS' RESPONSIBILITIES

The directors are required by law to prepare financial statements, based on applicable accounting standards, 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 the profit or loss for the period.

The directors consider that, in preparing the financial statements, suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made.

The directors prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also 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.

AUDITORS' REPORT TO THE MEMBERS OF CHELSEFIELD (BLOOMSBURY) LIMITED

We have audited the financial statements on pages 3 and 4.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described above, 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 have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*  
**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

LONDON

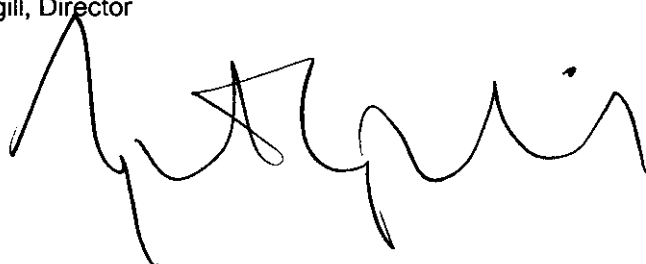
3 October 2000

CHELSEFIELD (BLOOMSBURY) LIMITEDBALANCE SHEET  
At 31 December 1999

|                             | Notes | 1999<br>£ |
|-----------------------------|-------|-----------|
| <b>Current asset</b>        |       |           |
| Cash at bank and in hand    |       | <u>2</u>  |
| <b>Capital and reserves</b> |       |           |
| Share capital               | 3     | <u>2</u>  |

Approved by the board of directors on 29 September 2000 and signed on its behalf by:

WN Hugill, Director

A handwritten signature in black ink, appearing to read 'WN Hugill', written over the printed name.

NOTES TO THE BALANCE SHEET1. BASIS OF ACCOUNTING

The balance sheet has been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the period and, accordingly, a profit and loss account is not presented.

3. CALLED UP SHARE CAPITAL

|                            | Authorised<br>£ | Allotted,<br>called up<br>and fully paid<br>£ |
|----------------------------|-----------------|---|
| Ordinary shares of £1 each | 1,000           | 2   |
|                            | <hr/>           | <hr/>   |

The shares were issued during the period at par upon incorporation. Subsequent to the year end, the authorised share capital was increased to £23,000,000 and an additional 22,999,998 ordinary shares were allotted to Chelsfield plc at par. The issue was made in order to increase the capital of the company following the acquisition of interests in property and the share capital of Chelsfield (Woburn Place) Limited.

4. HOLDING COMPANY

Subsequent to the year end, the share capital of the company was acquired by Chelsfield plc, a company registered in England and Wales.