

Report and Accounts

Sovereign Land (Property Management) Limited

(Formerly known as LPL Management Limited)

30 June 2000



Registered No. 3897327

DIRECTORS

J Nash	(appointed 20 January 2000, resigned 18 April 2000)
G H Aaronson	(appointed 20 January 2000, resigned 3 April 2001)
J L Schwartz	(appointed 18 April 2000)
T J Binnington	(appointed 20 January 2000)
R R W Falls	(appointed 20 January 2000)
G P Newman	(appointed 20 January 2000)
AD Sorrell	(appointed 15 December 1999, resigned 20 January 2000)

SECRETARY

T & H Secretarial Services Ltd	(appointed 20 January 2000)
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AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London SE1 7EU

SHORT TERM LENDERS

Barclays Bank
Pall Mall
London
SW1A 0QF

REGISTERED OFFICE

9 Grosvenor Street
London W1K 4QA

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 2000.

CHANGE OF NAME

The company was incorporated as LPL Management Ltd on the 15th December 1999 and changed its name to Sovereign Land (Property Management) Ltd on 29 February 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company acts both as manager of the properties owned by its related associates and as banker to these related undertakings.

RESULTS AND DIVIDENDS

The accounts show a loss before tax for the period of £461,765 which is dealt with as shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors during the period were as detailed on page 1.

DIRECTORS' INTERESTS

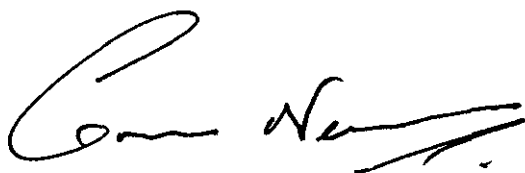
The directors have no interests in the Ordinary shares of the Company.

AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By order of the board

Director



31 JUL 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period 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.

REPORT OF THE AUDITORS to the members of Sovereign Land (Property Management) Limited

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 at 30 June 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Ernst & Young LLP
Registered Auditor
London

31 July 2001

PROFIT AND LOSS ACCOUNT
for the period ended 30 June 2000

	<i>Period ended</i>	
	<i>30 June</i>	
	<i>2000</i>	
<i>Notes</i>	<i>£</i>	
Administration expenses	(502,770)	
Other operating income	22,477	
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LOSS ON ORDINARY ACTIVITIES BEFORE INTERST AND TAXATION	(480,293)	
Interest payable and similar charges	(2,068)	
Interest receivable	20,596	
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LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(461,765)	
Tax on loss on ordinary activities	11 -	
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LOSS FOR THE FINANCIAL PERIOD	(461,765)	
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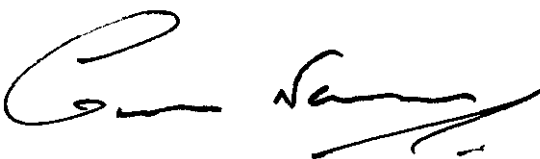
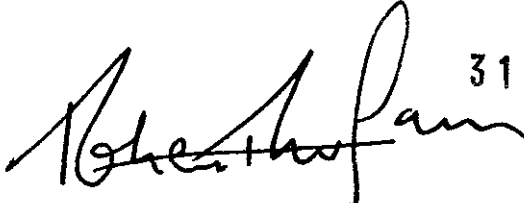
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the profit and loss account above.

BALANCE SHEET
at 30 June 2000

	Notes	30 June 2000 £
FIXED ASSETS		
Furniture, fittings and computer equipment	4	19,701
CURRENT ASSETS		
Debtors	5	1,933,388
Cash at bank		2,601,423
CREDITORS: amounts falling due within one year	6	(5,016,177)
NET CURRENT LIABILITIES		(481,366)
TOTAL ASSETS LESS CURRENT LIABILITIES		(461,665)
CAPITAL AND RESERVES		
Called up share capital	8	100
Profit and loss account	8	(461,765)
		(461,665)

Directors


 31 JUL 2001

NOTES TO THE ACCOUNTS

at 30 June 2000

1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared on the going concern basis because the parent company has undertaken to make such funds available as are necessary to enable the Company to meet its liabilities as they fall due.

2. ACCOUNTING POLICIES

Accounting convention

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

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liabilities will crystallise.

No provision is made for tax liabilities which are contingent upon the sale of investment properties at values in the balance sheet.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Furniture & Fittings	-	2 years
Computer equipment	-	2 years

Cashflow statement

The company according to FRS1 (revised 1996) is exempt from the requirement to prepare a statement of cashflows as it is an wholly subsidiary undertaking of Sovereign Land Property Holdings Ltd (formerly known as Lionsgate Holdings Ltd), the consolidated accounts of which will include a consolidated statement of cashflows, including those of the company

Related Party Transactions

As a subsidiary with more than 90% of voting rights controlled within the group, the company has taken the advantage of the exemption from reporting related party transactions, as permitted under FRS 8.

3. OPERATING LOSS

The operating loss is arrived at after deducting the following:

Audit fees	70,000
Depreciation	7,161
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No director received any remuneration from the company during the year

NOTES TO THE ACCOUNTS

at 30 June 2000

4. FIXED ASSETS

Fixtures and fittings	<i>Fixtures & Fittings</i>	<i>Computer Equipment</i>	<i>Total</i>
	£	£	£
Cost:			
Acquisition	6,705	20,156	26,861
Cost at 30 June 2000	6,705	20,156	26,861
Depreciation for the period	(218)	(6,942)	(7,160)
Accumulated depreciation at 30 June 2000	(218)	(6,942)	(7,160)
Net Book Value at 30 June 2000	6,487	13,214	19,701

5. DEBTORS

	<i>30 June 2000</i>
	£
Called up share capital not paid	100
Other debtors	13,631
Amounts due from fellow subsidiary undertakings	1,919,657
	1,933,388

6. CREDITORS: amounts falling due within one year

	<i>30 June 2000</i>
	£
Amounts due to fellow subsidiaries	4,732,771
Accruals	275,295
Other creditors	8,111
	5,016,177

NOTES TO THE ACCOUNTS
at 30 June 2000

7. STAFF COSTS

	<i>Period ended 30 June 2000 £</i>
Wages and Salaries	158,984
Social security costs	39,747
	<u>198,731</u>

The average weekly number of employees, including executive directors, during the period was as follows:

	<i>Period ended 30 June 2000 No.</i>
Property management	3
Administration	8
	<u>11</u>

Pension contributions are made into employees' personal pension plans

8. SHARE CAPITAL

	<i>Authorised 30 June 2000 No.</i>	<i>Allotted and called up 30 June 2000 No.</i>
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

NOTES TO THE ACCOUNTS
at 30 June 2000

9. MOVEMENTS ON RESERVES AND RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
On incorporation	-	-	-
Issue of shares	100	-	100
Loss for the period	-	(461,765)	(461,765)
	<hr/>	<hr/>	<hr/>
At 30 June 2000	100	(461,765)	(461,665)
	<hr/>	<hr/>	<hr/>

10. TAXATION

The losses arising in the period will be surrendered to other group undertakings for no payment.

11. ULTIMATE PARENT UNDERTAKING

The ultimate parent is Credit Suisse First Boston (International) A.G., a company incorporated in Switzerland. The smallest group which has included the company in its group accounts is Sovereign Land Properties Limited, and the largest group is Sovereign Land Property Holdings Limited, copies of which are available from the registered office:

9 Grosvenor Street
London
W1K 4QA