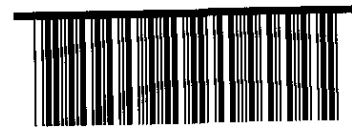


ARGYLE TRUST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

Registered number: 45822 Scotland



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ARGYLE TRUST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999

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ARGYLE TRUST LIMITED

DIRECTORS' REPORT

Financial Statements

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

Principal Activity

During the period, the company continued its activities as an Investment Company.

Results

The profit and loss account set out on page 4 shows the Company's results for the year ended 31 December 1999.

Dividend

The directors do not recommend a dividend for the year ended 31 December 1999 (1998: £3,995,183).

Directors and directors' interests

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

J. M. Bottomley
C. J. Emson

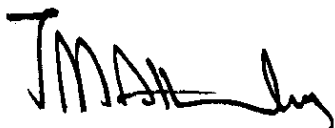
None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or in the shares of any other group company.

No rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of Lake Bushells, as auditors of the company, is proposed at the forthcoming Annual General Meeting.

By order of the board *11th December, 2000.*



JM Bottomley
Director

ARGYLE TRUST 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 of the company for the year. In preparing those financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. *make judgements and estimates that are reasonable and prudent;*
3. 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 also 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.

ARGYLE TRUST LIMITED**AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements 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 financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

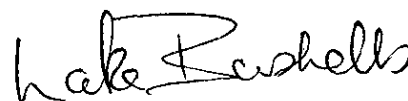
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 affairs of the company as at 31 December 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LONDON



LAKE BUSHELLS
Chartered Accountants
Registered Auditors

11 December

2000

ARGYLE TRUST LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	Year ended 31 December 1999 £	Year ended 31 December 1998 £
Turnover			
Interest Receivable		2,165	3,355
Administrative expenses		(296)	(311)
Income from investments	4	-	3,995,183
Other Income		123	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	1,992	3,998,227
Tax on profit on ordinary activities	6	-	73
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,992	3,998,300
Dividends	7	-	(3,995,183)
		<hr/>	<hr/>
Retained profit for the year	14	1,992	3,117
		<hr/>	<hr/>

Note

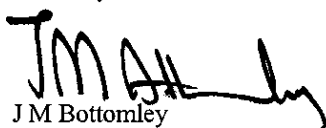
1. The only gain in the year was the retained profit.

ARGYLE TRUST LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	Year ended 31 December 1999 £	Year ended 31 December 1998 £
Fixed assets			
Fixed asset investments	8	37,500	37,500
Other investments	9	5,150	5,000
		<hr/>	<hr/>
		42,650	42,500
Current assets			
Debtors	10	-	366,085
Cash at bank and in hand		60,917	59,074
		<hr/>	<hr/>
		60,917	425,159
Creditors: amounts falling due within one year	11	(44,067)	(410,151)
		<hr/>	<hr/>
Net current assets		16,850	15,008
		<hr/>	<hr/>
Total assets less current liabilities		59,500	57,508
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	50,000	50,000
Profit and loss account	14	9,500	7,508
		<hr/>	<hr/>
SHAREHOLDERS FUNDS	13	59,500	57,508
		<hr/>	<hr/>

These financial statement were approved by the board of directors on ~~11th~~ 30th December 2000 and were signed on its behalf by:


J M Bottomley
Director

The attached notes form part of these financial statements.

ARGYLE TRUST LIMITED

NOTES TO THE ACCOUNTS

1. Accounting policies**Basis of preparation**

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

Group accounts

Under section 228 of the Companies Act 1995 the company has taken advantage of the exemption from preparing group accounts on the grounds that it is a wholly owned subsidiary undertaking of Anstake Limited who will be preparing group accounts.

Cash flow statement

The company has not prepared a cash flow statement since it is a wholly owned subsidiary undertaking of another U.K. company preparing group accounts in which there is a consolidated cash flow statement.

Turnover

Turnover represents amounts arising from the investment of surplus cash funds.

Investments in subsidiaries

Investments in subsidiaries are valued at the lower of cost or directors valuation.

	1999 £	1998 £
2. Profit on ordinary activities before taxation		
Profit on ordinary activities before taxation includes : -		
Interest receivable on money market deposits and gilts	2,165	3,355
	<hr/>	<hr/>

Audit fees incurred by the company are paid by the immediate parent undertaking, Sterling Trust Limited.

3. Remuneration of directors

No directors' emoluments were paid during the year (1998: £nil).

	1999 £	1998 £
4. Income from investments		
Dividend receivable	-	44,395,898
Less: write down of investments	-	(40,400,715)
	<hr/>	<hr/>
Net income from investments	-	3,995,183
	<hr/>	<hr/>

ARGYLE TRUST LIMITED

NOTES TO THE ACCOUNTS (cont'd)

5. Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 2 (1998: 2). No payment was paid to these employees (1998: £nil).

6. Tax on profit on ordinary activities

There is no tax charge for the current year due to the availability of deductible management expenses brought forward. The previous years tax credit is in respect of income tax recovered on interest receivable on money market deposits.

	1999 £	1998 £
7. Dividends		
Final dividend – paid 31 December 1998	-	3,995,183
	<hr/>	<hr/>
8. Fixed asset investments		
Cost		
At 1 January 1999	37,500	-
Addition in year	-	40,438,215
Provision against investments	-	(40,400,715)
	<hr/>	<hr/>
At 31 December 1999	37,500	37,500
	<hr/>	<hr/>

All subsidiaries are wholly owned unless otherwise stated and set out below. The companies are all registered in England and Wales.

Monomulti Limited (50% owned by Sterling Credit Nominees Limited)
Sterling Credit Nominees Limited
Trident Investment Company

Monumulti Limited and Sterling Credit Nominees Limited are dormant companies and valued at £nil.

Trident Investment Company is an unlimited private company. It's principal activity is that of an Investment Company. The investment is valued at the lower of cost and net realisable value.

ARGYLE TRUST LIMITED

NOTES TO THE ACCOUNTS (cont'd)

	1999 £	1998 £
9. Other investments		
Investments in gilts		
At 1 January 1999	5,000	5,000
Redemption	(5,000)	-
Addition in year	5,150	-
	<hr/>	<hr/>
At 31 December 1999	5,150	5,000
	<hr/>	<hr/>
The market value of the investment in gilts as at 31 st December, 1999 was £5,064 (1998: £5,168).		
	1999 £	1998 £
10. Debtors		
Amounts due from subsidiary undertaking	-	366,085
	<hr/>	<hr/>
11. Creditors: amount falling due within one year		
Amounts due to parent undertaking	3,605	403,605
Amount due to subsidiary	33,916	-
Other creditors and accruals	6,546	6,546
	<hr/>	<hr/>
	44,067	410,151
	<hr/>	<hr/>
12. Share Capital		
Authorised 5,000,000 Ordinary shares of 1p each	50,000	50,000
	<hr/>	<hr/>
Allotted, called up and fully paid 5,000,000 Ordinary shares of 1p each	50,000	50,000
	<hr/>	<hr/>

ARGYLE TRUST LIMITED

NOTES TO THE ACCOUNTS (cont'd)

	1999 £	1998 £
13. Reconciliation of movement in shareholder's funds		
Profit for the financial year	1,992	3,998,300
Dividend	-	(3,995,183)
	<hr/>	<hr/>
Addition to shareholders' funds	1,992	3,117
Opening shareholders' funds	57,508	54,391
	<hr/>	<hr/>
Closing shareholders' funds	59,500	57,508
	<hr/>	<hr/>

14. Reserves

	Profit & Loss Reserve £
As at 1 January 1999	7,508
Profit for the year	1,992
	<hr/>
As at 31 December 1999	9,500
	<hr/>

15. Immediate parent undertaking and ultimate parent undertaking

The company's immediate parent undertaking as at 31 December 1999 was Sterling Trust Limited, a company registered in England and Wales. The ultimate parent undertaking as at 31 December 1999 was Anstake Limited, a company registered in England and Wales.

Copies of the consolidated group accounts for both the immediate and ultimate parent undertakings will be available at Fraser House, 29 Albemarle Street, London W1X 3FA and from Companies House.

16. Related Party Transactions

The company has taken advantages of the exemption available under FRS8, Related Party Transactions, not to disclose transactions or balances with parent undertaking and subsidiary undertakings where the holdings exceeds 90%.