

1034233

LANDCHIEF LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000



LANDCHIEF LIMITED

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LANDCHIEF LIMITED

COMPANY INFORMATION

COMPANY REGISTRATION NO.

1034233

DIRECTORS:

J M CHAMBERLAIN
P B WAYTE
V CHAMBURY
S MUCHA

SECRETARY:

V CHAMBURY

REGISTERED OFFICE:

BRITANNIA HOUSE
LEAGRAVE ROAD
LUTON
BEDFORDSHIRE
LU3 1RJ

AUDITORS:

MAZARS NEVILLE RUSSELL
NEVILLE RUSSELL HOUSE
1 TELFORD WAY
LUTON
BEDS
LU1 1HT

BANKERS:

NATIONAL WESTMINSTER BANK PLC
BARCLAYS BANK PLC

LANDCHIEF LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 2000.

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 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;
- comply with applicable accounting standards 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 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.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of property investment. Both the level of business and the year end financial position were satisfactory.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31 December 2000 are set out in the financial statements on pages 6 - 14. The directors recommend the payment of a final dividend of £200,000 (1999: final £200,000). Retained profits of £94,056 (1999: profit £108,493) have been transferred to reserves.

FIXED ASSETS

Details of changes in fixed assets are given in note 8 to the financial statements.

LANDCHIEF LIMITED

REPORT OF THE DIRECTORS

DIRECTORS

The directors set out below have held office during the whole of the period from 1 January 2000 to the date of this report, unless otherwise stated.

No director had an interest in the shares of this company.

The interests, including beneficial interests, of the directors holding office on 31 December 2000 in the shares of the immediate parent company, Chamberlain Holdings Plc, according to the register of directors' interests were as shown below.

	Ordinary shares of £1 each	
	31 December 2000	1 January 2000

J M Chamberlain	772,498	727,498
P B Wayte	-	-
V Chambury	7,328	7,328
S Mucha	-	-

60,000 ordinary shares are held in trust for the benefit of J M Chamberlain and his family.

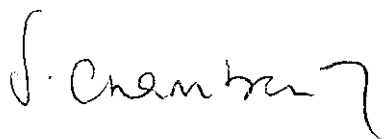
TAXATION STATUS OF THE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

Mazars Neville Russell have signified their willingness to continue in office and a resolution proposing their re-appointment as auditors will be put to the forthcoming annual general meeting.

Approved by the board on 10 July 2001
and signed on its behalf by



V Chambury, Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LANDCHIEF LIMITED**

We have audited the financial statements on pages 6 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

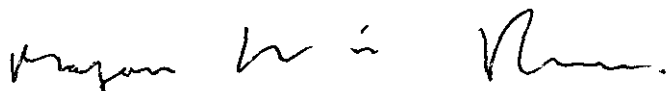
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors
Neville Russell House
1 Telford Way
Luton
Bedfordshire LU1 1HT

Date: 12 July 2001

LANDCHIEF LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
RENT RECEIVABLE	2		
Investment properties		368,171	368,015
Property management and outgoings		<u>(38,786)</u>	<u>(19,760)</u>
NET RENTAL INCOME		329,385	348,255
Administrative expenses		<u>(8,533)</u>	<u>(7,860)</u>
OPERATING PROFIT		320,852	340,395
Interest receivable and similar income		1	1
Interest payable and similar charges	5	<u>(19,297)</u>	<u>(24,309)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	301,556	316,087
Taxation on profit on ordinary activities	6	<u>(7,500)</u>	<u>(7,594)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		294,056	308,493
Dividends	7	<u>(200,000)</u>	<u>(200,000)</u>
RETAINED PROFIT FOR THE YEAR	14,15	94,056	108,493
Retained profit at 31 December 1999	14	<u>3,515,901</u>	<u>3,407,408</u>
Retained profit at 31 December 2000	14	<u><u>3,609,957</u></u>	<u><u>3,515,901</u></u>

The company's turnover and expenses all relate to continuing operations.

The profit for the year has been calculated on the historical cost basis.

LANDCHIEF LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2000

	2000	1999
	£	£
Profit for the financial year	94,056	108,493
Unrealised surplus on revaluation of properties	-	34,190
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	94,056	142,683
TOTAL GAINS AND LOSSES RECOGNISED SINCE THE LAST ANNUAL REPORT	94,056	142,683

LANDCHIEF LIMITED

BALANCE SHEET AT 31 DECEMBER 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	8		
Investment properties		3,812,114	3,790,000
		<u>3,812,114</u>	<u>3,790,000</u>
CURRENT ASSETS			
Debtors	9	3,957,351	3,786,429
Cash at bank and in hand		54,476	12,088
		<u>4,011,827</u>	<u>3,798,517</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(1,880,598)</u>	<u>(1,655,153)</u>
NET CURRENT ASSETS		<u>2,131,229</u>	<u>2,143,364</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,943,343</u>	<u>5,933,364</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	<u>(125,246)</u>	<u>(209,323)</u>
NET ASSETS		<u><u>5,818,097</u></u>	<u><u>5,724,041</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	200	200
Revaluation reserve	14	2,207,940	2,207,940
Profit and loss account	14	3,609,957	3,515,901
		<u></u>	<u></u>
EQUITY SHAREHOLDERS' FUNDS	15	<u><u>5,818,097</u></u>	<u><u>5,724,041</u></u>

Approved by the Board on 10 July 2001
and signed on its behalf by



J M Chamberlain, Director



S Mucha, Director

LANDCHIEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

(a) Accounting convention

The financial statements are prepared under the historical cost convention which has been modified to include the revaluation of land and buildings.

(b) Investment properties

In accordance with Statement of Standard Accounting Practice No. 19 investment properties are stated at their open market valuation and are not depreciated.

Surpluses and deficits arising on revaluation are transferred to or from the revaluation reserve. Surpluses and deficits arising on sale including revaluation surpluses and deficits of previous periods, are transferred to or from distributable reserves.

(c) Depreciation

Depreciation is calculated to write off the cost of other tangible fixed assets over their estimated useful lives on a reducing balance basis.

(d) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing difference reverse.

2 RENT RECEIVABLE

This represents amounts receivable by the company in respect of rents from investment properties in the United Kingdom.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
The loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	5,068	3,490

LANDCHIEF LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2000****4 DIRECTORS AND STAFF**

The company did not employ any staff other than directors in the current or previous year. No emoluments were paid in either year.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Bank loans and overdrafts wholly repayable within 5 years	19,297	24,227
Other interest	-	82
	<u>19,297</u>	<u>24,309</u>

6 TAXATION

	2000 £	1999 £
Based on the profit for the year:		
Corporation tax	7,500	7,594
	<u>7,500</u>	<u>7,594</u>

7 DIVIDENDS

	2000 £	1999 £
Ordinary final paid	<u>200,000</u>	<u>200,000</u>

LANDCHIEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

8 TANGIBLE FIXED ASSETS

INVESTMENT PROPERTIES

	Land & Buildings		Total £
	Freehold Property £	Leasehold Properties Longterm £	
VALUATION			
At 1 January 2000	3,040,000	750,000	3,790,000
Additions	-	22,114	22,114
At 31 December 2000	<u>3,040,000</u>	<u>772,114</u>	<u>3,812,114</u>

The amount of land and buildings (included above at valuation) determined according to the historical cost accounting rules is as follows:

	Land & Buildings		Total £
	Freehold Property £	Leasehold Properties Longterm £	
COST			
At 1 January 2000	1,494,279	87,781	1,582,060
Additions	-	22,114	22,114
At 31 December 2000	<u>1,494,279</u>	<u>109,895</u>	<u>1,604,174</u>

The properties have been valued at 31 December 2000 on an open market basis by Mr J M Chamberlain, Group Managing Director.

9 DEBTORS	2000 £	1999 £
DUE WITHIN ONE YEAR		
Trade debtors	55,098	66,880
Amounts owed by fellow subsidiary company	3,838,562	3,653,841
Other debtors	-	1,381
Prepayments and accrued income	62,322	59,958
	<u>3,955,982</u>	<u>3,782,060</u>
DUE AFTER ONE YEAR		
Amounts owed by fellow subsidiary companies	1,369	4,369
	<u>3,957,351</u>	<u>3,786,429</u>

LANDCHIEF LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2000****10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Bank loans and overdrafts	92,000	92,000
Trade creditors	13,680	12,662
Amounts owed to holding and fellow subsidiary companies	1,614,036	1,416,449
Corporation tax	7,506	7,598
Other creditors	34,636	15,858
Accruals and deferred income	118,740	110,586
	<u>1,880,598</u>	<u>1,655,153</u>

The bank loans and overdrafts are secured by a fixed charge on certain of the company's investment properties.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000	1999
	£	£
Bank loans	117,323	209,323
Amounts owed to holding and fellow subsidiary companies	7,923	-
	<u>125,246</u>	<u>209,323</u>

Included above are the following:

Amounts repayable by instalments:

Not wholly repayable within 5 years:

Repayable within 5 years	<u>117,323</u>	<u>209,323</u>
	<u>117,323</u>	<u>209,323</u>

The bank loans bear interest at a rate of 1.75% above base which fluctuates in line with rate changes. At the year end, the rate applied to loans was 7.75% (1999: 7.25%).

The bank loans and overdrafts are secured by a fixed charge on certain of the company's investment properties.

LANDCHIEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

12 DEFERRED TAXATION

	2000		1999	
	Amount Provided £	Amount Not Provided £	Amount Provided £	Amount Not Provided £
Tax effect of timing differences arising on:				
Property revaluations	-	179,294	-	189,956
Excess of tax allowances over depreciation	-	2,218	-	2,218
	<u>-</u>	<u>181,512</u>	<u>-</u>	<u>192,174</u>

13 SHARE CAPITAL

The share capital at 31 December 2000 and 31 December 1999 was:

	Authorised £	Allotted, Issued and Fully Paid £
Ordinary shares of £1 each	<u>1,000</u>	<u>200</u>

14 RESERVES

	Revaluation Reserve £	Profit and Loss Accounts £	Total £
At 1 January 2000	2,207,940	3,515,901	5,723,841
Retained profit	-	94,056	94,056
At 31 December 2000	<u>2,207,940</u>	<u>3,609,957</u>	<u>5,817,897</u>

Of the total amount of reserves £2,207,940 (1999: £2,207,940) is not available for distribution.

No provision has been made for additional United Kingdom taxation which arise if the land and buildings were disposed of at their revalued amount. The contingent liability is included in the potential liability to deferred taxation set out in note 12.

LANDCHIEF LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2000****15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000	1999
	£	£
Profit for the financial year	294,056	308,493
Dividend paid	(200,000)	(200,000)
Surplus arising on revaluation of investment properties	-	34,190
Net addition to shareholders' funds	94,056	142,683
Opening shareholders' funds	5,724,041	5,581,358
Closing shareholders' funds	5,818,097	5,742,041

16 CONTINGENT LIABILITIES

The company has given an unlimited guarantee for borrowing made by the holding company, secured by a fixed and floating charge over the company's assets. However, in view of the security held, the directors do not consider that any contingent liability arises.

17 HOLDING COMPANY

The immediate and ultimate holding company is Chamberlain Holdings Plc, incorporated in Great Britain.