

Registered Number 1823607

PRIME ESTATES LIMITED

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

For the year ended
31st December 2000



PRIME ESTATES LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

Year ended 31st December 2000

DIRECTORS:

Mr. H. J. H. Bandet(President)
Miss R. E. L. Bandet
Mrs. I. A. M. F. Boyer
Mr. I. Kirkpatrick (Chairman)
Mr. A. J. Edmonds
Mr. D. B. Taylor
Mr. J. P. Walters

SECRETARY:

Mr. A. R. Wilson

REGISTERED OFFICE:

2 Hunting Gate
Hitchin
Hertfordshire
SG4 0TB

BANKERS:

HSBC Bank plc
Town Centre Branch
Danestrete
Stevenage
Hertfordshire
SG1 1BY

AUDITORS:

BDO Stoy Hayward
8 Baker Street
London
W1U 3LL

REGISTERED NUMBER:

1823607 (England and Wales)

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REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES, TRADING REVIEW AND FUTURE DEVELOPMENTS

The company undertakes investment activities. It's subsidiary companies continued to derive income from their respective investments. During the year the company has invested in a related company whose purpose is to invest in and develop property. An investment in an overseas investment fund has also taken place.

The directors declared and paid dividends in respect of the year under review as shown in note 4 to the accounts. The proposed dividend of £251 per share was paid in January 2001 and no further dividends are recommended by the directors for the year.

DIRECTORS

The directors who served during the period and their beneficial interests in the company's issued share capital were:

	<u>Ordinary Shares of £1</u>	
	<u>31st December 2000</u>	<u>1st January 2000</u>
Mr. H. J. H. Bandet (President)	555	555
Miss R. E. L. Bandet	555	555
Mrs. I. A. M. F. Boyer	390	390
Mr. I. Kirkpatrick (Chairman)	-	-
Mr. A. J. Edmonds	-	-
Mr. D. B. Taylor	-	-
Mr. M. Freeman (resigned 9th March 2000)	-	-
Mr. J. P. Walters (appointed 17th March 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 company's state of affairs at the end of the year and of the profit or loss for that year. In preparing those financial statements, the directors are required to:

Select suitable accounting policies and then apply them consistently, and

Make judgements and estimates that are reasonable and prudent, 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.

AUDITORS

The Company has, by Elective Resolution, resolved to dispense with the need to hold Annual General Meetings and to re-appoint Auditors annually. Accordingly BDO Stoy Hayward, who have indicated their willingness to do so, will continue in office as Auditors of the Company.

SMALL COMPANY

Advantage has been taken, in the preparation of this report, of the special exemptions applicable to small companies.

By Order of the Board

A. R. WILSON



Secretary
21st June 2001

REPORT OF THE AUDITORS

To The Members of PRIME ESTATES LIMITED

We have audited the financial statements set out on pages 4 to 8, 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 1, 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.

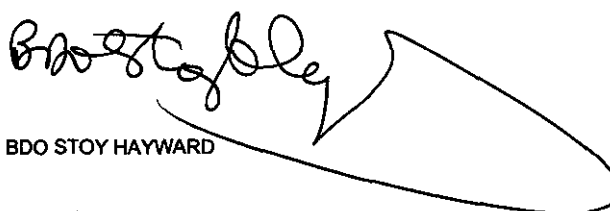
Basis of Opinion

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 the company's affairs as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



BDO STOY HAYWARD

Chartered Accountants and
Registered Auditors
London

21st June 2001

AUDITORS' REPORT TO THE DIRECTORS OF PRIME ESTATES LIMITED,
Pursuant to Section 248(3) of the Companies Act 1985

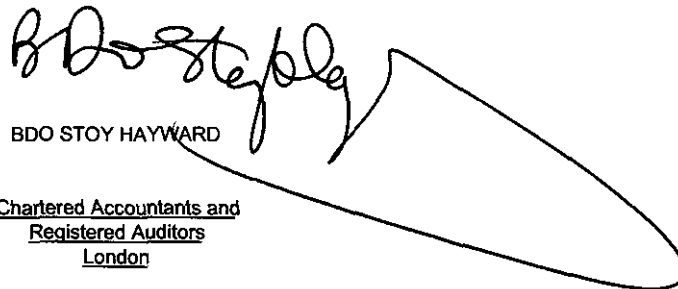
We have examined the financial statements of the company and each of its subsidiaries for the year ended 31st December 2000.

BASIS OF OPINION

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

OPINION

In our opinion, the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act, 1985.


BDO STOY HAYWARD
Chartered Accountants and
Registered Auditors
London

21st June 2001

PROFIT AND LOSS ACCOUNT for the year ended 31st December 2000

	Note	Year to <u>31.12.00</u> £	17 Months to <u>31.12.99</u> £
Administrative expenses		(8,890)	(753)
<u>OPERATING LOSS</u>	2	<u>(8,890)</u>	<u>(753)</u>
Dividend received	3	399,990	-
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION</u>		<u>391,100</u>	<u>(753)</u>
<u>PROFIT BROUGHT FORWARD</u>		870,921	871,674
		<u>1,262,021</u>	<u>870,921</u>
Dividends paid and proposed	4	(776,490)	-
<u>RETAINED PROFIT CARRIED FORWARD</u>		<u>485,531</u>	<u>870,921</u>

There were no gains or losses other than stated above.

There were no acquired or discontinued operations in either of the two periods.

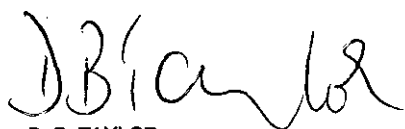
The notes on pages 6 to 8 form part of the financial statements.

BALANCE SHEET as at 31st December 2000

	NOTE	31.12.00	31.12.99
		£	£
<u>FIXED ASSETS</u>			
Investments	5	164,634	8
<u>CURRENT ASSETS</u>			
Debtors	6	2,810,150	880,442
Cash at Bank		<u>1,196,359</u>	<u>-</u>
		4,006,509	880,442
<u>CREDITORS - amounts falling due within one year</u>	7	<u>(3,684,112)</u>	<u>(8,029)</u>
<u>NET CURRENT ASSETS</u>		322,397	872,413
<u>TOTAL NET ASSETS</u>		<u>487,031</u>	<u>872,421</u>
<u>CAPITAL AND RESERVES</u>			
Called-up share capital	8	1,500	1,500
Profit and loss account		485,531	870,921
<u>SHAREHOLDERS' FUNDS</u>	9	<u>487,031</u>	<u>872,421</u>
<u>Shareholders' funds:</u>			
Equity interests		<u>487,031</u>	<u>872,421</u>

The directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company in accordance with sections 246 and 247 of the Companies Act 1985.

Approved at a meeting of the directors held on 21st June 2001



D. B. TAYLOR
DIRECTOR

The notes on pages 6 to 8 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2000

1. ACCOUNTING POLICIES

Accounting Basis

The financial statements are prepared under the historical cost convention and in accordance with all applicable Accounting Standards.

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.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. All exchange differences are charged or credited to the revaluation reserve.

Investments

Investments in subsidiary and related companies are stated at cost. Other fixed asset investments are stated at cost less exchange losses.

Turnover

There was no turnover in the period.

Group Accounts

It is the policy of the company to take advantage of the exemption conferred by Section 248 of the Companies Act (1985) from preparing group accounts.

Accounts

These accounts present information about the company only and not about the group of companies as a whole.

2. OPERATING LOSS

The loss arises after charging -

	Year to 31.12.00 £	17 months to 31.12.99 £
Auditors' remuneration	<u>1,000</u>	<u>500</u>

3. DIVIDEND RECEIVED

Wilbury Investments Limited	<u>399,990</u>	<u>-</u>
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4. DIVIDENDS PAID AND PROPOSED

Dividends paid in the year at £266.66 per share	399,990	-
Dividend proposed at £251 per share	376,500	-
	<u>776,490</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2000

5. FIXED ASSETS	31.12.00	31.12.99
	£	£
<u>Investments at cost</u>		
The company owns 2 ordinary £1 shares in each of the following companies, representing in each case 100% of the issued share capital		
Prime Estates (Northumbria) Limited	2	2
Prime Estates (C.I.) Limited	2	2
Wilbury Estates Limited	2	2
Wilbury Investments Limited	2	2
	<u>8</u>	<u>8</u>
Hunting Gate (Leeds) Limited	75,050	-
The Brinson Partnership Fund	89,576	-
	<u>164,634</u>	<u>8</u>

All the subsidiary companies above are registered in England and Wales and all prepare accounts to 31st December annually

The following further details relate to the subsidiary companies:-

	<u>Aggregate capital and reserves</u>	<u>Retained profit/(loss)</u>
	<u>31.12.2000</u>	<u>Year to 31.12.2000</u>
	<u>£</u>	<u>£</u>
Prime Estates (Northumbria) Limited	234,768	16,486
Prime Estates (C.I.) Limited	(4,879)	932,016
Wilbury Estates Limited	(1,588,285)	147,449
Wilbury Investments Limited	1,580,558	141,355

These subsidiaries are dependent on the continuing support of related companies to enable them to sustain their operations.

<u>Hunting Gate (Leeds) Limited</u>	<u>31.12.00</u>	<u>31.12.99</u>
	<u>£</u>	<u>£</u>
During the year the company acquired 50 ordinary £1 shares representing 50% of the issued ordinary share capital and 75,000 £1 10% preference shares		
	<u>75,050</u>	<u>-</u>

The company was incorporated in August 2000 and its first accounts will be produced at 31st December 2001.

<u>The Brinson Partnership fund</u>	<u>31.12.00</u>	<u>31.12.99</u>
	<u>£</u>	<u>£</u>
During the year an initial investment of \$133,970 at a cost of £92,886 was made. This represents 1.34% of the partnership equity.		
Cost	92,886	-
Loss on translation	(3,310)	-
	<u>89,576</u>	<u>-</u>

At 31st December 2000 the partnership equity was \$9,996,619 (£6,684,019) and the loss for the period was \$3,381 (£2,261).

6. DEBTORS	31.12.00	31.12.99
	£	£
Amount due from group companies	2,614,090	880,442
Amount due from related companies	196,060	-
	<u>2,810,150</u>	<u>880,442</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2000

7.	<u>CREDITORS - amounts falling due within one year</u>	<u>31.12.00</u> £	<u>31.12.99</u> £
	Amount due to group company	246,933	2
	Amount due to related company	3,059,678	7,026
	Accruals and deferred income	1,001	1,001
	Proposed dividends	376,500	-
		<u>3,684,112</u>	<u>8,029</u>
8.	<u>CALLED-UP SHARE CAPITAL</u>		
	Authorised; 1,500 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
	Issued and fully paid; 1,500 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
9.	<u>SHAREHOLDERS' FUNDS</u>		
	Profit/(loss) incurred in the financial period, after taxation	<u>391,100</u>	<u>(753)</u>
	Shareholders' funds at the start of the period	872,421	873,174
	Profit/(loss) as above	391,100	(753)
	Dividends paid and proposed	(776,490)	-
	Shareholders' funds at the end of the period	<u>487,031</u>	<u>872,421</u>
10.	<u>CONTINGENT LIABILITIES</u>		
	The company is party to a cross guarantee for £10 million, given by itself, two of its subsidiaries and four related companies in favour of HSBC Bank plc. The exposure of Prime Estates Limited in respect of this cross guarantee at 31st December 2000 was £8,677,904 (1999 £10,000,000).		
11.	<u>POST BALANCE SHEET EVENTS</u>		
	No events have occurred since the balance sheet date which have any material effect on these financial statements.		
12.	<u>CAPITAL COMMITMENTS</u>		
	At 31st December 2000 the company was committed to an investment program amounting to \$4,866,030 (1999 Nil) over the next two years.		
13.	<u>RELATED PARTY TRANSACTIONS</u>		
	Mr H. J. H. Bandet, Miss R. E. L. Bandet, and Mrs I. A. M. F. Boyer have interests as shareholders in the related companies referred to in notes 5, 6 and 7.		