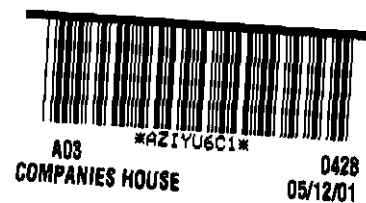


MIDLAND PROPERTIES LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 2001



Company No. 2961908

MIDLAND PROPERTIES LIMITED

COMPANY INFORMATION

Directors

Mr R D Williams

Secretary

Mrs P V Williams

Company Number

2961908

Registered Office

WALLACE CROOKE & CO
32 LICHFIELD STREET
WALSALL
WEST MIDLANDS
WS1 1TJ

Reporting Accountants

WALLACE CROOKE & CO
32 LICHFIELD STREET
WALSALL
WEST MIDLANDS
WS1 1TJ

MIDLAND PROPERTIES LIMITED

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MIDLAND PROPERTIES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 28TH FEBRUARY 2001

The director presents his report together with the accounts for the year ended 28th February 2001.

Principal Activities and Review of Business

The company's principal activity continued to be that of property management.

Results and Dividends

The results for the year are set out in the profit and loss account on page 4.

The director considers the state of the company's affairs to be satisfactory.

The director does not recommend a dividend.

Director

The director who served during the year and his beneficial interest in the company's issued share capital was:

Mr R D Williams

Ordinary Shares	
28th	1st
February	March
2001	2000
2	2

Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the director is 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 director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

MIDLAND PROPERTIES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 28TH FEBRUARY 2001

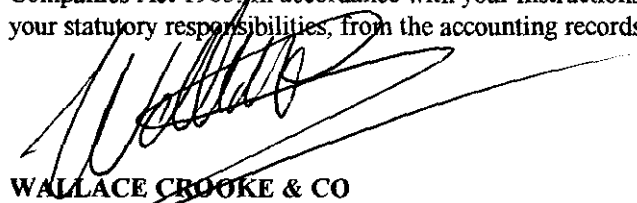
This report was approved on 30th November 2001, and signed.



Mr R D Williams, Director
30th November 2001

ACCOUNTANTS' REPORT TO THE DIRECTORS
ON THE UNAUDITED ACCOUNTS OF
MIDLAND PROPERTIES LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 28th February 2001, set out on pages 4 to 9, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



WALLACE CROOKE & CO
Chartered Accountants
32 LICHFIELD STREET
WALSALL
WEST MIDLANDS
WS1 1TJ
Date: 30th November 2001

MIDLAND PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28TH FEBRUARY 2001

	Notes	2001 £	2000 £
Turnover	3	16,698	15,772
Cost of Sales		9,978	9,239
Gross Profit		6,720	6,533
Administrative Expenses		5,621	8,560
Operating Profit/Loss	2	1,099	(2,027)
Profit/Loss on Ordinary Activities before Taxation		1,099	(2,027)
Tax on profit/loss on ordinary activities	5	(35)	-
Profit/Loss for the Financial Year		1,134	(2,027)
Retained Loss/Profit Brought Forward		(1,792)	235
Retained Loss Carried Forward		(658)	(1,792)

All amounts relate to continuing activities.

There were no recognised gains or losses for 2001 or 2000 other than those included in the profit and loss account.

MIDLAND PROPERTIES LIMITED

BALANCE SHEET

AS AT 28TH FEBRUARY 2001

	Notes	£	2001 £	£	2000 £
Fixed Assets					
Tangible assets	6		214,579		208,871
Current Assets					
Cash at bank and in hand		2,176		893	
		2,176		893	
Creditors: Amounts Falling Due Within One Year	8	122,326		114,608	
Net Current Liabilities			(120,150)		(113,715)
Total Assets Less Current Liabilities			94,429		95,156
Creditors: Amounts Falling Due After More Than One Year	9		95,085		96,946
			(656)		(1,790)
Capital and Reserves					
Share capital	11		2		2
Profit and loss account			(658)		(1,792)
Shareholders' Funds	12		(656)		(1,790)

The directors are of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 28th February 2001.

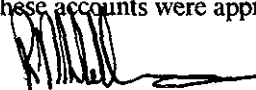
The directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The directors confirm that they are responsible for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These accounts were approved by the board on 30th November 2001 and signed on its behalf.


Mr R D Williams
Director

The notes on pages 6 to 9 form part of these accounts.

MIDLAND PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 2001

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

No depreciation is provided on the cost of the property as the company's policy is to maintain the condition of the property as at the original purchase.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Operating Profit

The operating profit is arrived at after charging or crediting:

	2001	2000
	£	£
Mortgage interest	8,537	7,897

MIDLAND PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 2001

3 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

Turnover is attributable to the principal activity of the company.

4 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2001	2000
	£	£
Wages and salaries	900	900
Other pension costs	2,025	4,450
	<u>2,925</u>	<u>5,350</u>

Directors' emoluments

	2001	2000
	£	£
Emoluments	750	750
	<u>750</u>	<u>750</u>

5 Taxation

	2001	2000
	£	£
Based on the profit/loss for the year		
	-	-
Prior periods		
UK corporation tax	<u>(35)</u>	<u>-</u>

MIDLAND PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 2001

6 Tangible Fixed Assets

	Freehold Land	Woodland	Total
Cost	£	£	£
At 1st March 2000	153,789	55,082	208,871
Additions	-	5,708	5,708
At 28th February 2001	153,789	60,790	214,579
Net Book Value			
At 28th February 2001	153,789	60,790	214,579
<i>At 29th February 2000</i>	<i>153,789</i>	<i>55,082</i>	<i>208,871</i>

8 Creditors: Amounts Falling Due Within One Year

	2001 £	2000 £
Bank loans and overdrafts (Note 10)	2,078	2,285
Trade creditors	3,786	2,799
Other taxes and social security	3,557	3,560
Other creditors	75,949	69,048
Directors' loan accounts	32,964	33,050
Accruals and deferred income	3,992	3,866
	122,326	114,608

The bank overdrafts are secured by a fixed charge over freehold property

9 Creditors: Amounts Falling Due After One Year

	2001 £	2000 £
Bank loans and overdrafts (Note 10)	95,085	96,946
	95,085	96,946

The bank overdrafts are secured by a fixed charge over freehold property

MIDLAND PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 2001

10	Loans	2001 £	2000 £
	Amounts repayable:		
	In one year or less, or on demand	2,078	2,285
	Between two and five years	95,085	96,946
		97,163	99,231
11	Share Capital	2001 £	2000 £
	Authorised Equity Shares 1,000 Ordinary shares of £1.00 each	1,000	1,000
		1,000	1,000
	Allotted Equity Shares - Allotted, called up and fully paid ordinary shares of £1.00 each	2	2
12	Reconciliation of Shareholders' Funds	2001 £	2000 £
	Profit/Loss for the financial year	1,134	(2,027)
	Increase/Decrease in the shareholders' funds	1,134	(2,027)
	Closing shareholders' funds	(656)	(1,790)