ARTESIAN DEVELOPER plc

CONTENTS

	Page
Directors and advisers	1
Chairman's statement	2
Report of the directors	3
Report of the auditors	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9-14
Notice of 1997 Annual General Meeting	15
Form of Proxy	

DIRECTORS AND ADVISERS

Directors	M.R. Breen A.P. Cunningham
Non-Executive Director	N.J.L. Welch
Joint Secretaries	G.G. Kinch A.P. Cunningham D.J.T. MacDonald
Registered Office	40, Queen Anne Street, London, W1M 0EL
Auditors	Coopers & Lybrand, 1, Embankment Place, London, WC2N 6NN
Transfer Office	60, Webb's Road, London, SW11 6SE
Registered in England	Number 2793529

A03 *ALUH3XY4* 340
COMPANIES HOUSE 04/08/97

ARTESIAN DEVELOPER plc

CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to report that your Company has continued to make progress in its fourth year, during which it has been required to operate within the constraints of BES legislation. Our rental income stands at £433,103 (1996: £308,421) which helped to create a pre-tax profit of £161,586. Our property portfolio now consists of ten properties in London and Brighton and seven houses in Biggin Hill, Kent.

We have again been prudent with our valuation policy and your board has agreed to recognise only a conservative increase in the value of our investment portfolio – the real value will only be established when properties are sold. Together with retained profits, your Company's net asset value per share has increased to £1.04p (1996: £0.98p) with capital and reserves currently standing at £5,277,780.

The good news specific to this coming year is that your Company will be four years old in December and will then be allowed to trade, something which is currently disallowed by the BES rules. We will therefore commence the following after December. Firstly, we will convert our Assured Tenancies as fast as possible into Assured Shorthold Tenancies, thereby creating a more easily saleable portfolio with a higher sale price. Secondly, we will borrow sensibly against the portfolio in order to trade and develop for sale, thus creating additional profits before shareholders decide on the future of the Company – the same successful formula and pattern from which the first seven Artesian BES companies have benefited to date, as detailed in the Artesian Newsletter.

We will also take advantage of investing jointly with other companies in order to share opportunities and financial resources, especially where the scale of the investment is significant.

Your board believes that the present property market will continue to be buoyant for the next few years and that your Company will be in the fortunate position of being able to start trading and developing very soon.

We have been able to discuss more fully our views on investments and developments in the Artesian Newsletter, together with the progressing strategy for the future, which will be more relevant to your Company during the next twelve months, but you are nevertheless welcome, as usual, to contact either me or Paul Cunningham should you require more information.

MARK BREEN
Chairman
2nd July 1997

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31st March 1997.

PRINCIPAL ACTIVITIES

The company was established in 1993, since when its principal activity has been the renting of residential property under the Assured Tenancy provisions of the Housing Act, 1988, and under the Business Expansion Scheme.

RESULTS FOR THE YEAR AND TRANSFERS TO RESERVES

The net profit for the year before taxation was £161,586 (1996: £73,965) from which has been deducted a charge for corporation tax of £40,533 (1996: £11,626) to give a profit for the year on ordinary activities after taxation of £121,053 (1996: £62,339). This has been added to the profit of £60,879 (1996: loss of £1,460) brought forward on profit and loss account and the resultant surplus of £181,932 (1996: £60,879) has been carried forward.

A review of the development of the business of the company during the year and its year end financial position are contained in the chairman's statement.

DIVIDENDS

The directors do not recommend the payment of a dividend in accordance with the policy established in the prospectus.

FIXED ASSETS

The movements in the company's fixed assets are shown in notes 6 and 7 to the financial statements. The company's investment properties are included at their open market value.

CHARITABLE DONATIONS

During the year the company made charitable donations of £80 (1996: £378).

DIRECTORS AND THEIR INTERESTS

The directors during the year and their interests in the shares of the company were as follows:–

	No. of 50p shares as at 31.3.1997 and 31.3.1996	
	Ordinary shares	Founders' shares
M.R. Breen	2	25
A.P. Cunningham	4	15
N.J.L. Welch	–	–

N.J.L. Welch retires as director by rotation but being eligible offers himself for re-election as a director of the company.

DIRECTORS' RESPONSIBILITIES

The directors are required by U.K. company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 1997. The directors also confirm that applicable accounting standards have been followed, and that the statements have been prepared on the going concern basis.

REPORT OF THE DIRECTORS (continued)

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CREDITOR PAYMENT POLICY

While no formal code is adopted, the company's current policy concerning the payment of its trade creditors is, where possible, to settle the terms of payment when agreeing the terms of each transaction, ensure that suppliers are aware of the terms of payment, and pay in accordance with its contractual and other obligations. The company's average creditor payment period at 31st March 1997 was 31 days (1996: 16 days).

AUDITORS

The term of office of the auditors, Coopers & Lybrand, Chartered Accountants and Registered auditors, will expire at the forthcoming annual general meeting. The auditors, being eligible, have indicated their willingness to accept re-appointment.

By order of the Board

D.J.T. MacDonald
Joint Secretary

2nd July 1997

40, Queen Anne Street,
London, W1M 0EL

REPORT OF THE AUDITORS TO THE MEMBERS OF ARTESIAN DEVELOPER plc

We have audited the financial statements on pages 6 to 14.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 3 and 4, 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 at 31st March 1997 and of its profit, total recognised profits, and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand,
Chartered Accountants and Registered Auditors,
London.
2nd July 1997

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 1997

	Note	1997 £	1996 £
TURNOVER	1	433,103	308,421
COST OF SALES		(163,537)	(91,282)
GROSS PROFIT	2	269,566	217,139
NET OPERATING EXPENSES		(118,275)	(188,285)
OPERATING PROFIT		151,291	28,854
INTEREST RECEIVABLE		12,056	46,851
INTEREST PAYABLE AND SIMILAR CHARGES		(1,761)	(1,740)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,4	161,586	73,965
TAX ON ORDINARY ACTIVITIES	5	(40,533)	(11,626)
RETAINED PROFIT:			
For the year		121,053	62,339
Brought forward		60,879	(1,460)
Carried forward	13	181,932	60,879

All income during the year was derived from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalent.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31st MARCH 1997

	Note	1997 £	1996 £
Profit on ordinary activities after taxation		121,053	62,339
Unrealised surplus on revaluation of investment properties	7	189,084	127,091
Total recognised gains relating to the year		310,137	189,430

ARTESIAN DEVELOPER plc

BALANCE SHEET

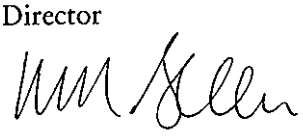
AS AT 31st MARCH 1997

	Note	1997 £	1997 £	1996 £	1996 £
FIXED ASSETS					
Tangible assets	1,6	79,733		80,223	
Investment properties	1,7	4,990,000		4,742,377	
			5,069,733		4,822,600
CURRENT ASSETS					
Debtors	8	127,638		17,143	
Cash at bank and in hand		192,112		232,806	
		319,750		249,949	
CREDITORS: amounts falling due within one year	9	(110,428)		(103,631)	
NET CURRENT ASSETS			209,322		146,318
TOTAL ASSETS LESS CURRENT LIABILITIES			5,279,055		4,968,918
PROVISIONS FOR LIABILITIES AND CHARGES	10		(1,275)		(1,275)
NET ASSETS			5,277,780		4,967,643
CAPITAL AND RESERVES					
Called up share capital	12		2,524,302		2,524,302
Share premium account	13		2,244,705		2,244,705
Revaluation reserve	13		326,841		137,757
Profit and loss account	13		181,932		60,879
TOTAL EQUITY SHAREHOLDERS' FUNDS	18		5,277,780		4,967,643

The financial statements on pages 6 to 14 were approved by the board of directors on 2nd July 1997 and were signed on its behalf by:

M.R. Breen

Director



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH 1997

	Note	1997 £	1997 £	1996 £	1996 £
OPERATING ACTIVITIES					
Net cash inflow from operating activities	15		48,906		106,309
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		12,122		47,259	
Interest paid and bank charges		(1,761)		(1,740)	
Net cash inflow from returns on investments and servicing of finance			10,361		45,519
TAXATION					
Corporation tax paid			(11,626)		–
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Purchase of investment properties		(58,539)		(1,648,558)	
Purchase of tangible assets		(31,993)		(67,657)	
Disposal of tangible assets		2,197		–	
Net cash outflow from capital expenditure and financial investment			(88,335)		(1,716,215)
MANAGEMENT OF LIQUID RESOURCES					
Payments into short-term deposits			(5,990)		(100,207)
DECREASE IN CASH	16		(46,684)		(1,664,594)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 1997

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. However, compliance with SSAP 19 "Accounting for investment properties (revised)" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given in the note relating to tangible fixed assets below. A summary of the more important accounting policies is set out below.

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

TANGIBLE FIXED ASSETS

Investment properties (see also note 7)

In accordance with SSAP 19, the investment property portfolio is revalued annually on an open market value basis by the executive directors, having had reference, where appropriate, to valuations carried out by qualified external valuers. Any revaluation surplus or deficit arising is taken to the revaluation reserve except where the deficit is considered to be permanent. Permanent deficits are taken to the profit and loss account.

No depreciation or amortisation is provided in respect of freehold investment properties. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors believe that as these properties are not held for consumption but investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investment properties are included at their full cost in the accounts once an irrevocable purchase contract has been entered into.

Assets in the course of construction are carried at cost, and are reclassified as investment properties as soon as they are available for letting. All subsequent costs, including interest, are written off as they are incurred.

Tangible assets

The cost of other tangible fixed assets is their purchase price, together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets (other than investment properties), less their estimated residual values, on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Short leasehold properties	– over the life of the lease
Property fixtures, fittings and equipment	– 25%
Computer equipment	– 33%
Office fixtures, fittings and equipment	– 20%
Motor vehicles	– 20%

TURNOVER

Turnover comprises gross rental income receivable during the year and was all derived from U.K. activities.

DEFERRED TAXATION

Deferred taxation is provided at the current rate on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

CHANGES IN PRESENTATION OF FINANCIAL STATEMENTS

FRS 1 "Cash flow statements" has been revised to change the format for reporting cash flows, and accordingly the cash flow statement has been presented under the new format.

FRS 8 "Related party disclosures", effective from this year, requires the disclosure of the details of material transactions between the reporting entity and any related parties, and accordingly disclosure has been made where appropriate, principally in note 14 (Directors' interests in contracts).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31st MARCH 1997

2 GROSS PROFIT

This is stated after charging:–	1997 £	1996 £
Depreciation (notes 1 and 6)	25,653	15,866
Repairs and maintenance	56,953	21,760
Utilities, rates, insurance and sundry property costs	19,923	15,896

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:–	1997 £	1996 £
Depreciation (notes 1, 2 and 6)	30,286	20,931
Auditors' remuneration:–		
Audit services	6,440	4,219

4 EMPLOYEE INFORMATION

	1997 £	1996 £
4.1 Staff costs including directors' emoluments:–		
Wages and salaries	33,869	40,589
Social security costs	6,011	4,091
	39,880	44,680
4.2 Directors' emoluments comprises:–		
Fees (included in 4.1 above)	2,270	2,270
Amount payable to a third party in respect of making available the services of A.P. Cunningham to the company	9,670	18,155

The chairman received no remuneration.

4.3 The average weekly number of employees including directors during the year was 17 (1996: 17). The employees other than the directors are employed jointly with the other Artesian companies.

5 TAXATION

The tax charge on the profit on ordinary activities for the year is as follows:

	1997 £	1996 £
U.K. corporation tax at 24% (1996: 25%)	40,533	11,626

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31st MARCH 1997

6 TANGIBLE ASSETS

	Short leasehold property £	Fixtures, fittings and equipment: Investment property £	Office £	Motor vehicles £	TOTAL £
COST					
At 1st April 1996	1,240	80,425	17,348	8,319	107,332
Adjustment	(200)	–	(4,790)	(254)	(5,244)
Additions	–	31,993	–	–	31,993
Disposals	(97)	–	(540)	(1,677)	(2,314)
At 31st March 1997	943	112,418	12,018	6,388	131,767
DEPRECIATION					
At 1st April 1996	502	17,631	8,234	742	27,109
Adjustment	(200)	–	(4,790)	(254)	(5,244)
Charge for the year	50	25,653	3,286	1,297	30,286
Disposals	–	–	–	(117)	(117)
At 31st March 1997	352	43,284	6,730	1,668	52,034
NET BOOK VALUE					
At 31st March 1996	738	62,794	9,114	7,577	80,223
At 31st March 1997	591	69,134	5,288	4,720	79,733

7 INVESTMENT PROPERTIES

		Freehold property £
COST		
At 1st April 1996		3,833,244
Additions		(6,517)
Transfers		836,432
At 31st March 1997		4,663,159
VALUATION		
At 1st April 1996	137,757	
Increase in valuation in the year	189,084	
At 31st March 1997		326,841
		4,990,000

ASSETS IN THE COURSE OF CONSTRUCTION

COST	£	
At 1st April 1996	771,376	
Additions	65,056	
Transfers	(836,432)	
At 31st March 1997		–
TOTAL at 31st March 1997		4,990,000

The investment properties are stated at executive directors' valuation as at 31st March 1997.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31st MARCH 1997

8 DEBTORS

	1997 £	1996 £
Trade debtors	15,978	4,664
Other debtors	108,589	12,052
Prepayments and accrued income	3,071	427
	127,638	17,143

All debtors are recoverable within one year.

9 CREDITORS: amounts falling due within one year

	1997 £	1996 £
Trade creditors	49,159	77,674
Other creditors	4,705	7,431
Corporation tax	40,533	11,626
Accruals -	16,031	6,900
	110,428	103,631

10 PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAXATION

Deferred taxation provided in the financial statements, and the amount unprovided of the total potential liability, are as follows:–

	Provided		Unprovided	
	1997 £	1996 £	1997 £	1996 £
Tax effect of timing differences:				
Excess of tax allowances over depreciation	1,275	1,275	–	–
On revaluation surplus	–	–	57,810	27,092
	1,275	1,275	57,810	27,092

The company has no intention of selling the revalued properties in the foreseeable future, and accordingly no provision has been made for the potential deferred tax liability on the revaluation gain.

11 CAPITAL COMMITMENTS

	1997 £	1996 £
Authorised and contracted	–	15,118

12 SHARE CAPITAL

	1997 £	1996 £
Authorised:–		
100 Founders' shares of 50p each	50	50
5,999,900 Ordinary shares of 50p each	2,999,950	2,999,950
	3,000,000	3,000,000
Allotted, called up and fully paid:–		
4 subscribers' shares of 50p each	2	2
100 Founders' shares of 50p each	50	50
5,048,500 Ordinary shares of 50p each	2,524,250	2,524,250
	2,524,302	2,524,302

All shares have equal entitlements to receive payments (whether in respect of dividends, in respect of redemption or otherwise) and to participate in a surplus in a winding up. The Founder shares have the right on a poll prior to or at the 1999 Annual General Meeting ("1999 AGM") to exercise 25.1% of the total number of votes capable of being cast on a resolution to wind up the company. Prior to the 1999 AGM, each holder of not less than 15 Founder shares has the right to appoint and remove one director of the company. The Founder shares will convert into ordinary shares at the 1999 AGM, on terms set out in the company's Articles.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31st MARCH 1997

13 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
At 1st April 1996	2,244,705	137,757	60,879
Revaluation surplus on investment properties	–	189,084	–
Retained profit for the year	–	–	121,053
At 31st March 1997	2,244,705	326,841	181,932

14 DIRECTORS' INTEREST IN CONTRACTS

14.1 M.R. Breen has an interest in Epicwork Limited which provided property services to the company to the value of £17,519 (1996: £29,442), including VAT. At 31st March 1997, there was a balance due by that company of £11,923.

14.2 A.P. Cunningham is a partner in Messrs. Finers, Solicitors, who provided legal and professional services to the company to the value of £517 (1996: £3,729), including VAT, and who made the services of A.P. Cunningham available to the company for £9,670 (1996: £18,155), including VAT (see note 4.2). At 31st March 1997 there was a balance due by that firm of £3,919.

15 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1997	1996
	£	£
Operating profit	151,291	28,854
Depreciation	30,286	20,931
Increase in debtors	(110,561)	(11,357)
(Decrease)/increase in creditors	(22,110)	67,881
Net cash inflow from operating activities	48,906	106,309

16 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1997	1996
	£	£
Decrease in net cash in the period	(46,684)	(1,664,594)
Increase in liquid resources	5,990	100,207
Net funds at 1st April	232,806	1,797,193
Net funds at 31st March	192,112	232,806

17 ANALYSIS OF CHANGES IN NET FUNDS

	1st April 1996	Cash outflow	31st March 1997
	£	£	£
Cash at bank	111,365	(25,450)	85,915
Monies held by solicitors	21,234	(21,234)	–
	132,599	(46,684)	85,915
Short term deposits	100,207	5,990	106,197
Net funds at 31st March	232,806	(40,694)	192,112

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31st MARCH 1997

18 RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Opening shareholders' funds	4,967,643	4,778,213
Profit for the year	121,053	62,339
Other recognised gains relating to the year	189,084	127,091
	5,277,780	4,967,643

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 1997 Annual General Meeting of the company will be held at:–

The Canadian Room,
The East India Club,
16, St. James Square,
London, SW1

at 11.00 a.m. on 1st August 1997, for the transaction of the following business:–

To read the notice convening the meeting.

To note the presentation of proxies.

To approve the following resolutions, all of which will be proposed as Ordinary Resolutions:–

1 To receive and adopt the directors' report and financial statements for the year ended 31st March 1997.

2 To re-elect N.J.L. Welch as a director of the company.

3 To re-appoint Coopers & Lybrand as auditors in accordance with Section 384 of the Companies Act 1985 to hold office from the conclusion of the 1997 Annual General Meeting and to authorise the directors to fix the remuneration of the auditors.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him/her. A proxy need not be a member of the company. A Form of Proxy is enclosed.

The Register of directors' shareholdings will be available for inspection during the meeting.

Dated 2nd July 1997

By order of the board,

Registered Office:
40, Queen Anne Street,
London, W1M 0EL

D.J.T. MacDonald
Joint Secretary

ARTESIAN DEVELOPER plc

for use by the holders of ordinary shares

Form of Proxy

I. . . . . .

(in block capitals please)

of. . . . . .

being a member of Artesian Developer plc hereby appoint M.R. Breen or failing him A.P. Cunningham both directors of the company, or

. . . . . .

as my proxy to vote for me and on my behalf at the Annual General Meeting of the company to be held on 1st August 1997, and at every adjournment thereof.

Dated . . . . . 1997 Signature. . . . . .

Ordinary Resolutions	For	Against
1 Adoption of the report of the directors, report of the auditors and the accounts for the year ended 31st March 1997.		
2 To re-elect N.J.L. Welch as a director of the company.		
3 To re-appoint Coopers & Lybrand as the company's auditors and to authorise the directors to fix their remuneration.		

Notes

1 To be valid this proxy form, duly completed, must be lodged at 60 Webbs Road, London, SW11 6SE not later than 48 hours before the date of the Meeting.

2 In the case of joint holders the signature of the senior holder will be accepted.

3 If any other proxy be preferred strike out the names above and substitute the name(s) of the proxy or proxies desired in the space provided.

4 A proxy holder need not be a member of the Company.

5 The completion and return of the form of proxy will not preclude ordinary shareholders attending and voting at the meeting should they decide to do so.

ARTESIAN SELECT plc

for use by the holders of ordinary shares

Form of Proxy

I. . . . . .

(in block capitals please)

of. . . . . .

being a member of Artesian Select plc hereby appoint M.R. Breen or failing him A.P. Cunningham, both directors of the company, or

. . . . . .

as my proxy to vote for me and on my behalf at the Annual General Meeting of the company to be held on 1st August 1997, and at every adjournment thereof.

Dated . . . . . 1997 Signature. . . . . .

Ordinary Resolutions	For	Against
1 Adoption of the report of the directors, report of the auditors and the financial statements for the year ended 31st March 1997.		
2 To re-elect N.J.L. Welch as a director of the company.		
3 To re-appoint Coopers & Lybrand as the company's auditors and to authorise the directors to fix their remuneration.		

Notes

1 To be valid this proxy form, duly completed, must be lodged at 60 Webbs Road, London, SW11 6SE not later than 48 hours before the date of the Meeting.

2 In the case of joint holders the signature of the senior holder will be accepted.

3 If any other proxy be preferred strike out the names above and substitute the name(s) of the proxy or proxies desired in the space provided.

4 A proxy holder need not be a member of the Company.

5 The completion and return of the form of proxy will not preclude ordinary shareholders attending and voting at the meeting should they decide to do so.