2199191

LANMARA DEVELOPMENTS LIMITED

FINANCIAL ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2000

Towers + Gornall
Chartered Certified Accountants
Garstang, Preston

A3HJ759Y
A29 0409
COMPANIES HOUSE 27/10/01

DIRECTOR

Mr. J.M. Worthington

SECRETARY

Mrs. A.V. Worthington

REGISTERED OFFICE

Brockholes Pavilion
Claughton Trading Estate
Claughton-on-Brock
Preston

COMPANY NUMBER

2199191

BANKERS

Cumberland Building Society
Royal Bank of Scotland PLC

SOLICITORS

Brabner Holden Banks Wilson

AUDITORS

Towers + Gornall
Chartered Certified Accountants
Abacus House
The Ropewalk
Garstang
Preston
PR3 1NS
Tel. 01995 600600

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Director's Report
For The Year Ended 31 December 2000

The director presents his report and the audited financial statements of the company for the year ended 31 December 2000.

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:-

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 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.

PRINCIPAL ACTIVITIES

The principal activities of the company continued to be those of aquisition, development and letting of property.

BUSINESS REVIEW

The company continues to hold the investment properties at Chorley and Accrington. Both of these properties are leased to the Department of the Environment.

The company continues to hold the industrial units on the site at Heaton Street, Leyland on a long term (125 year) lease with a Head Lease of the development assigned to South Ribble Borough Council for a 25 year term

The director considers the state of the company's financial affairs, as at the balance sheet date, to be satisfactory.

RESULTS AND DIVIDENDS

	2000	1999
	£	£
Profit after tax for the year	87,147	58,871
Dividend	49,500	58,000
Transfer to reserves	£ 37,647	£ 871

An interim dividend of £49.50 net per share was paid to the holding company on 31st December 2000. The director does not recommend the payment of a final dividend.

DIRECTORS

The director who served during the year is shown below:

Mr. J.M. Worthington

The director who served during the year had no beneficial interest in the issued ordinary share capital.

HOLDING COMPANY

The whole of the shares of the company are owned by a holding company : Stonewell Property Company Limited, a company registered in England.

Other companies in the group :-

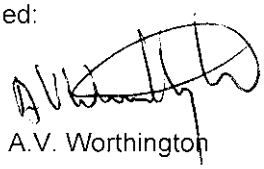
Marcus Worthington and Company Limited
Marcus Worthington Properties Limited

AUDITORS

The auditors, Towers + Gornall, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 30th August 2001.

This report was approved by the board on 30th August 2001 and signed on their behalf.

Signed:



Mrs. A.V. Worthington

Auditor's Report
To the Shareholders of
Lanmara Developments Limited
For The Year Ended 31 December 2000

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 3 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.

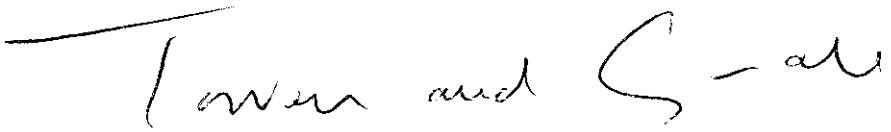
Basis of opinion

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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Towers + Gornall
Chartered Certified Accountants
Registered Auditors

Abacus House
The Ropewalk
Garstang
Preston
PR3 1NS
Tel. 01995 600600

30th August 2001

Profit and Loss Account
For The Year Ended 31 December 2000

	Notes	2000 £	1999 £
TURNOVER	2		
Continuing operations		358,645	336,485
GROSS PROFIT		358,645	336,485
Net operating expenses		88,560	94,346
OPERATING PROFIT	3		
Continuing operations		270,085	242,139
Interest receivable and similar income		433	413
Interest payable and similar charges	4	(163,989)	(168,671)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		106,529	73,881
Tax on ordinary activities	5	19,382	15,010
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		87,147	58,871
PROFIT FOR THE FINANCIAL YEAR		87,147	58,871
Dividends		49,500	58,000
RETAINED PROFIT TRANSFERED TO RESERVES	12	£ 37,647	£ 871

No material acquisitions or discontinued operations have occurred.

The notes on pages 10 to 15 form part of these financial statements

Balance Sheet
At 31 December 2000

	Note	2000 £	£	1999 £
FIXED ASSETS				
Investment properties	6		4,300,000	4,420,000
CURRENT ASSETS				
Debtors	7	37,941		2,602
Cash at bank and in hand		46,788		49,577
		84,729		52,179
CREDITORS: Amounts falling due within one year	8	159,335		185,458
NET CURRENT LIABILITIES			(74,606)	(133,279)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,225,394	4,286,721
CREDITORS: Amounts falling due after more than one year	9		(2,207,538)	(2,223,187)
PROVISIONS FOR LIABILITIES AND CHARGES	10		(36,675)	-
NET ASSETS			£ 1,981,181	£ 2,063,534
CAPITAL AND RESERVES				
Called up share capital	11		1,000	1,000
Revaluation reserve	12		1,818,508	1,938,508
Profit and loss account	12		161,673	124,026
TOTAL EQUITY SHAREHOLDERS FUNDS			£ 1,981,181	£ 2,063,534

The accounts were approved by the board of directors on 30th August 2001

Mr. J.M. Worthington, Director

The notes on pages 10 to 15 form part of these financial statements

Cash Flow Statement
For The Year Ended 31 December 2000

	Note	2000 £	£	1999 £
NET CASH INFLOW FROM OPERATING ACTIVITIES			249,687	242,093
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		433		413
Interest paid		(163,989)		(168,671)
Dividends paid		(49,500)		(58,000)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(213,056)	(226,258)
TAX PAID			(11,059)	(13,342)
CAPITAL EXPENDITURE			-	-
NET CASH INFLOW BEFORE FINANCING			25,572	2,493
FINANCING				
Building society loan repayments		(13,649)		(10,200)
(Decrease)/Increase in inter-group loans		(14,712)		11,719
NET CASH OUTFLOW TO FINANCING	14		(28,361)	1,519
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			(2,789)	4,012

The notes on pages 10 to 15 form part of these financial statements

Statement Of Total Recognised Gains And Losses
For The Year Ended 31 December 2000

	2000 £	1999 £
Profit for the financial year	87,147	58,871
Unrealised profit on revaluation of properties	-	220,000
Deficit on revaluation of properties	(120,000)	-
Total recognised gains and losses for the year	(32,853)	278,871

The difference between reported and historical profits and losses is not material.

Reconciliation of Movements in Shareholders' Funds
For The Year Ended 31 December 2000

	2000 £	1999 £
Profit for the financial year	87,147	58,871
Dividends	(49,500)	(58,000)
	37,647	871
Other recognised gains and losses relating to the year	(120,000)	220,000
Net addition to shareholders' funds	(82,353)	220,871
Opening shareholders' funds	2,063,534	1,842,662
Closing shareholders' funds	£ 1,981,181	£ 2,063,533

The notes on pages 10 to 15 form part of these financial statements

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of some assets, and in accordance with applicable accounting standards.

1b. Investment properties under development

Investment properties under development are stated in the accounts on the basis of costs plus attributable overheads.

A property is not regarded as completed until its rental income equates to 80% of that anticipated when the building is fully let or when the rental income exceeds the interest and property outgoings, whichever occurs first.

1c. Completed investment properties

Completed investment properties are revalued annually in accordance with SSAP 19. The valuation is carried out at least every three years by independent firms of external valuers and in the intervening years by professionally qualified internal staff.

1d. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

In anticipation of the requirements of FRS 19, provision has been made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method.

1e. Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services in the normal course of business.

1f. Revaluation Reserve

Surpluses or deficits arising on the revaluation of individual fixed assets including investment properties are credited or debited to a non-distributible reserve known as the revaluation reserve (see also note 12).

Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the profit and loss account.

2. TURNOVER

Turnover and profit on ordinary activities before taxation are attributable to its principal activities and took place within the United Kingdom.

3. OPERATING PROFIT

	2000 £	1999 £
Profit on ordinary activities is stated after charging:		
Auditors' remuneration	1,000	1,000
Staff costs	55,950	31,376

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On bank loans, overdrafts and other loans	163,989	168,671
	£ 163,989	£ 168,671

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
Corporation tax	-	15,010
Deferred Tax	10,272	-
Losses surrended by Stonewell Property Company Limited	11,059	-
	21,331	15,010
Adjustment of deferred tax in respect of timing differences from prior years	26,403	-
Corporation tax overprovided in prior years	(28,352)	-
	£ 19,382	£ 15,010

6. INVESTMENT PROPERTIES

	Water St Chorley £	Eastgate Accrington £	Heaton St Leyland £	Total £
Valuation				
At 1January 2000	1,500,000	2,500,000	420,000	4,420,000
Deficit on revaluation	-	(100,000)	(20,000)	(120,000)
At 31 December 2000	1,500,000	2,400,000	400,000	4,300,000

The above properties were externally valued by Frank Harrington Associates, Chartered Surveyors, between 1st February 2001 and 1st April 2001.

7. DEBTORS

	2000 £	1999 £
Trade Debtors	22,000	-
Prepayments	2,599	2,602
Corporation tax	13,342	-
	£ 37,941	£ 2,602

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Cumberland building society loan	14,000	12,000
Loan : Stonewell Props Ltd	47,788	62,500
Accruals	1,000	1,000
Rents received in advance	76,744	76,825
Corporation tax	-	15,010
Vat, paye & nic	19,803	18,123
	£ 159,335	£ 185,458

9. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2000	1999
	£	£
Cumberland building society loan	2,207,538	2,223,187
	£ 2,207,538	£ 2,223,187

Analysis of total borrowings:

Due within five years:		
within 1 year	14,000	12,000
within 1-2 years	15,000	15,000
within 2-5 years	55,000	55,000
	£ 84,000	£ 82,000
Due after five years:		
wholly or in part by instalments	153,479	169,487
otherwise than by instalments	1,984,059	1,983,700
	£ 2,137,538	£ 2,153,187

The Cumberland Building Society hold the following securities :
Debenture incorporating a fixed charge over the land and buildings at Heaton Street, Leyland
Debenture incorporating a fixed charge over the land and buildings at Water Street, Chorley
Debenture incorporating a fixed charge over the land and buildings at Eastgate, Accrington
A legal charge over Westcliffe, Preston - given and owned by another subsidiary company, Marcus Worthington Properties Limited
A legal charge over Units 17, 18, 19 and 22, Denton Holme Trading Estate, Carlisle - given and owned by the director Mr. J.M. Worthington

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Deferred Taxation	36,675	-
	£ 36,675	£ -

	2000 £	1999 £
Excess of tax allowances over book depreciation of fixed assets	36,675	-
	£ 36,675	£ -

The movement on deferred taxation comprises:

Charged to the profit and loss, in respect of: capital allowances	36,675	-
End of year	£ 36,675	£ -

11. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised:		
1000 Ordinary shares of £1 each	£ 1,000	£ 1,000
Allotted, issued and fully paid:		
1000 Ordinary shares of £1 each	£ 1,000	£ 1,000

12. RESERVES

	Revaluat -ion reserve £	Profit & loss account £
At 1January 2000	1,938,508	124,026
Profit for the year		37,647
Deficit on revaluation	(120,000)	
At 31 December 2000	£ 1,818,508	£ 161,673

13. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	270,085	242,139
Increase in debtors	(21,997)	(3)
Increase/(Decrease) in creditors	1,599	(43)
Net cash inflow from operating activities	£ 249,687	£ 242,093

14. (a) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £	1999 £
(Decrease)/Increase in cash and bank balances	(2,789)	4,012
Cash (inflow)/outflow from net movement in loans	28,361	(1,519)
Movement in net debt during year	25,572	2,493
Net debt at start of year	(2,248,110)	(2,250,603)
Net debt at end of year	(2,222,538)	(2,248,110)

(b) ANALYSIS OF CHANGES IN NET DEBT DURING THE YEAR

	Balance at 1/1/00 £	Cash Flows £	Balance at 31/12/00 £
Bank accounts	49,577	(2,789)	46,788
	49,577	(2,789)	46,788
Building society loans	(2,235,187)	13,649	(2,221,538)
Inter-group loans	(62,500)	14,712	(47,788)
Total	(2,248,110)	25,572	(2,222,538)

15. RELATED PARTIES

Mr J M Worthington and Mrs A V Worthington are directors of Marcus Worthington and Company Limited and Marcus Worthington Properties Limited, which are members of the same group of companies.

Lanmara Developments Limited is a property investment company who contract out all their development work to Marcus Worthington and Company Limited.

Lanmara Developments Limited paid a management charge to Marcus Worthington and Company Limited of £20,000 to cover all costs of administration.

Lanmara Developments Limited had a loan outstanding from Stonewell Property Company Limited of £47,788 at the year end.