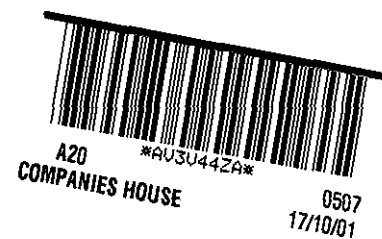


ALEXANDER DREW & SONS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 2000



A member of the LAMONT HOLDINGS GROUP of companies

ALEXANDER DREW & SONS LIMITED

CONTENTS

	Page
Board of Directors	3
Report of the Directors	4 - 5
Report of the Auditors	6 - 7
Statement of Accounting Policies	8
Profit and Loss Account	9
Balance Sheet	10
Notes to the Accounts	11 - 13

ALEXANDER DREW & SONS LIMITED

DIRECTORS

R A Milliken
M G Lamont

SECRETARY

M G Lamont

REGISTERED
OFFICE

Stotts Mill Bridgefold Road
Rochdale Lancs OL11 5BZ

Registered in England
No. 2457584

REGISTERED
AUDITORS

PricewaterhouseCoopers
Fanum House
108 Great Victoria Street
Belfast BT2 7AX

ALEXANDER DREW & SONS LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and the audited Accounts for the year ended 31st December 2000.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for that period. In preparing the financial statements appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements have been prepared on the going concern basis and in accordance with applicable Accounting Standards.

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.

GOING CONCERN

After making appropriate enquiries, the directors have a reasonable expectation that the group and the Company have adequate resources to continue in operational existence for the foreseeable future. For the reasons set out in the Statement of Accounting Policies on page 8 they continue to adopt the going concern basis in preparing the company's financial statements.

PRINCIPAL ACTIVITIES

The Company traded as an investment company throughout the year ended 31st December 2000.

BUSINESS REVIEW

The Directors consider the performance of the company during the year and its position at the end of the year to be satisfactory. They do not envisage any material departure from present activities in the foreseeable future.

RESULTS

The profit for the financial year amounted to £1,062,449. An interim dividend of £1,053,250 was paid during the year. No further dividend is recommended.

ALEXANDER DREW & SONS LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS

The composition of the Board of Directors at the date of this report is given on page 3.

On 31st January 2000 Mr M G Lamont was appointed as a Director of the Company and Mr N McKeown resigned as a Director of the Company.

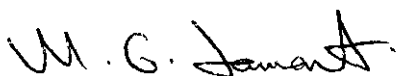
DIRECTORS' INTERESTS

Mr R A Milliken is a director of Lamont Holdings PLC and his interests in the share capital of that company are disclosed in its Report of the Directors.

The interests of the other Director and his family in the ordinary share capital of Lamont Holdings PLC are shown below:

		<u>31.12.00</u>	<u>31.12.99</u>
M G Lamont	- Beneficial	23,325	23,325
	- Share Options	26,586	26,586

BY ORDER OF THE BOARD



M G LAMONT
SECRETARY

Stotts Mill
Bridgefold Road
Rochdale OL11 5BZ

27th April 2001

ALEXANDER DREW & SONS LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF ALEXANDER DREW & SONS LIMITED

We have audited the financial statements on pages 8 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices board and our profession's ethical guidance.

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 United Kingdom 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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.

Going Concern

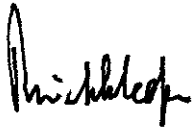
In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the adequacy of the bank funding facilities of the company's parent group. The financial statements have been prepared on a going concern basis and the validity of this is dependent on the completion of a proposed agreement for the refinancing of a part of the parent group's current funding facilities, and its ability to meet its trading and cash flow projections, and achieve the required reduction in its bank funding requirements through the restructuring of its activities. The financial statements do not include any adjustments that would result from the parent group's failure to meet its projections or to meet the required reduction in its funding requirement. Details of the circumstances relating to this fundamental uncertainty are described on page 8. Our opinion is not qualified in this respect.

ALEXANDER DREW & SONS LIMITED

REPORT OF THE AUDITORS (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICEWATERHOUSECOOPERS
Chartered Accountants and Registered Auditors

Belfast
27th April 2001

ALEXANDER DREW & SONS LIMITED

STATEMENT OF ACCOUNTING POLICIES

The financial accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The accounts of the Company have been prepared on the historical cost basis of accounting.

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis, which assumes that the Company's parent group will continue in operational existence for the foreseeable future. This assumption is subject to the uncertainties discussed below.

The group's bankers have made available to the group funding facilities on an on-demand basis, pending review of the group's proposals for their repayment. The continued availability of these facilities is to be reviewed by the group's bankers in the near future, taking into account its current cash flow, commercial and financial position and proposals for repayment and for servicing the residual debt. Assuming facilities continue to be available they are likely to remain subject to review in the light of progress made with an agreed repayment strategy within timescales acceptable to the group's bankers.

The directors of the Company's ultimate parent company have prepared financial projections of the anticipated trading results and cash flows of the group for the period of twelve months from the date of approval of these financial statements. However, against the background of a difficult trading environment, the group's projections are, by their nature, subject to uncertainty in relation to the assumptions made as to its expected levels of revenue and cash flows. In addition the agreement of the group's funding facilities is subject to the inherent uncertainty associated with the agreement and successful implementation of a repayment strategy within the anticipated timescale.

The Company's financial statements have been prepared on a going concern basis which assumes that the parent group will continue in operational existence for the foreseeable future and the validity of this assumption depends on the group being able to meet its trading and cash flow projections and to successfully restructure its activities to effect the required reduction in its bank funding requirements.

If the group were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the Company's assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Whilst the directors are presently uncertain as to the outcome of the matters referred to above they believe that it is appropriate for the financial statements to be prepared on a going concern basis.

ALEXANDER DREW & SONS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2000

	Note	2000 £	1999 £
INTEREST RECEIVABLE		1,062,449	958,383
Operating expenses		-	(54)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,062,449	958,329
Taxation	1	-	-
		-----	-----
PROFIT FOR THE FINANCIAL YEAR		1,062,449	958,329
DIVIDENDS PAYABLE	2	(1,053,250)	(958,250)
		-----	-----
RETAINED PROFIT FOR THE YEAR	7	9,199	79
		=====	=====

The Company has no recognised gains and losses other than those included in the results above and therefore no statement of total recognised gains and losses has been presented.

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

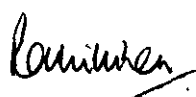
ALEXANDER DREW & SONS LIMITED

BALANCE SHEET

At 31st December 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Investments	3	480	500
CURRENT ASSETS			
Debtors	4	14,864,019	15,223,566
Cash at bank		14,150	4,947
		14,878,169	15,228,513
CURRENT LIABILITIES			
Creditors : amounts falling due within one year	5	-	(359,563)
NET CURRENT ASSETS		14,878,169	14,868,950
NET ASSETS EMPLOYED		14,878,649	14,869,450
CAPITAL AND RESERVES			
Called up share capital - equity	6	14,000,000	14,000,000
Profit and loss account	7	878,649	869,450
SHAREHOLDERS' FUNDS	8	14,878,649	14,869,450

The accounts on pages 8 to 13 were approved by the Board of Directors on 27th April 2001 and signed on its behalf by:



R A MILLIKEN
DIRECTOR

ALEXANDER DREW & SONS LIMITED

NOTES TO ACCOUNTS

Year ended 31st December 2000

1. TAXATION

There is no charge for corporation tax as the Company receives group relief for which no payment is made.

2. DIVIDENDS

	2000 £	1999 £
Ordinary dividends - interim paid	1,053,250 =====	958,250 =====

3. INVESTMENTS

	Treasury Stock £
COST	
At 1st January 2000	500
Additions	480
Disposals	(500)
31st December 2000	----- 480 =====
NET BOOK VALUE	
At 31st December 2000	480 =====
At 31st December 1999	500 =====

ALEXANDER DREW & SONS LIMITED

NOTES TO ACCOUNTS (continued)

Year ended 31st December 2000

4. DEBTORS

	<u>2000</u> £	<u>1999</u> £
Amounts owed by group companies	14,864,000	14,864,000
Other debtors	-	359,563
Prepayments	19	3
	<u>14,864,019</u>	<u>15,223,566</u>
	=====	=====

5. CREDITORS

	<u>2000</u> £	<u>1999</u> £
Amounts owed to group companies	-	359,563
	<u>-----</u>	<u>-----</u>
	=====	=====

6. SHARE CAPITAL

	<u>2000</u> £	<u>1999</u> £
Authorised, allotted, called up and fully paid:		
14,000,000 Ordinary shares of £1 each	14,000,000	14,000,000
	<u>-----</u>	<u>-----</u>
	=====	=====

7. PROFIT AND LOSS ACCOUNT

	£
At 1st January 2000	869,450
Retained profit for the year	9,199
	<u>-----</u>
At 31st December 2000	878,649
	=====

ALEXANDER DREW & SONS LIMITED

NOTES TO ACCOUNTS (continued)

Year ended 31st December 2000

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Opening shareholders' funds	14,869,450	14,869,371
Profit for the financial year	1,062,449	958,329
Dividends	(1,053,250)	(958,250)
	-----	-----
Closing shareholders' funds	14,878,649 =====	14,869,450 =====

9. CONTINGENT LIABILITIES

The Company is joined in joint and several guarantees in relation to bank borrowing facilities granted to its Holding company and fellow subsidiary companies.

10. HOLDING COMPANY

The Company is a wholly owned subsidiary of Lamont Holdings PLC, a company incorporated in Scotland.
