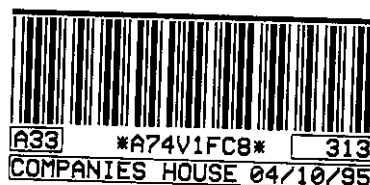


Beeson and Sons Limited

Directors' report and financial statements

31 December 1994

Registered number 247378



Beeson and Sons Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1-2
Statement of directors' responsibilities in respect of the preparation of financial statements	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7-13

Beeson and Sons Limited

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 1994.

Principal activities

The principal activities of the company are property construction, property dealing, antique sales and farming.

Business review

Details of the results for the year are set out in the profit and loss account on page 5.

Proposed dividend

The directors do not recommend the payment of a dividend (1993:£nil).

Directors and directors' interests

The directors who held office during the year were:

RM King
HM King
WM King

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

The directors who held office at the end of the financial year had the following interests in the ordinary shares of other group companies, as recorded in the register of directors' share and debenture interests:

Company		Class of share	Number of shares at beginning and end of year
RM King	Beeson Holdings Limited	£1 ordinary	51 (51%)
RM King - as nominee	King Mines Limited	£1 ordinary	1 (1%)

Beeson and Sons Limited

Directors' report

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


RG Menon
Secretary

Stoke Park
Stoke Poges
Slough
SL2 4NS

Beeson and Sons Limited

Statement of directors' responsibilities in respect of the preparation of financial statements

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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Auditors' report to the members of Beeson and Sons Limited

We have audited the financial statements on pages 5 to 13.

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 as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

15 September 1995

Beeson and Sons Limited

Profit and loss account
for the year ended 31 December 1994

	Note	1994 £	1993 £
Turnover	2	889,331	1,606,091
Cost of sales		(286,693)	(428,773)
Gross profit		602,638	1,177,318
Administrative expenses		(481,042)	(423,769)
Operating profit		121,596	753,549
Net interest	6	(2,708)	1,451,729
Profit on ordinary activities before and after tax	2-7	118,888	2,205,278

The above results were derived from continuing operations.

There are no gains or losses other than those recognised above.

Beeson and Sons Limited

Balance sheet
at 31 December 1994

	Note	1994	1993
		£	£
Fixed assets			
Tangible assets	8	112,926	172,343
Current assets			
Stocks	9	644,657	801,963
Debtors	10	1,873,330	2,001,386
Cash at bank and in hand		32,531	-
		<u>2,550,518</u>	<u>2,803,349</u>
Creditors: amounts falling due within one year	11	<u>(9,651,217)</u>	<u>(9,927,353)</u>
Net current liabilities		<u>(7,100,699)</u>	<u>(7,124,004)</u>
Total assets less current liabilities		<u>(6,987,773)</u>	<u>(6,951,661)</u>
Creditors: amounts falling due after more than one year	12	(41,530)	(41,530)
Provisions for liabilities and charges	13	-	(155,000)
Net liabilities		<u>(7,029,303)</u>	<u>(7,148,191)</u>
Capital and reserves			
Called up share capital	15	14,367	14,367
Profit and loss account	16	(7,043,670)	(7,162,558)
Shareholders' funds	16	<u>(7,029,303)</u>	<u>(7,148,191)</u>

These financial statements were approved by the board of directors on 15 September 1995 and were signed on its behalf by:

H. M. King
HM King
Director

Beeson and Sons Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards.

Basis of preparation of financial statements

The ultimate parent company has confirmed that it will continue to support the company. In addition, an associated undertaking of the ultimate parent company has confirmed that in the event that the company does not have sufficient liquid assets to repay amounts due, totalling £6,420,000, it will give the company such time as is necessary to realise the freehold and dealing properties and other assets for this purpose. In addition to this, loans of £41,503 have been subordinated to the claims of other creditors. On the strength of these assurances and loan subordinations, the financial statements have been prepared on the basis that the company will be able to continue to trade as a going concern.

If the company was unable to continue to trade, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a parent company which has produced a group cashflow in accordance with the standard.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economics lives as follows:

Fixtures, fittings and farm equipment - 10 years straight line

Stocks

Freehold dealing properties are shown at the lower of cost and net realisable value. The valuation of farm stock and jewellery is based upon cost or the directors' estimate of net realisable value if lower.

Beeson and Sons Limited

Notes (continued)

1 Accounting policies (continued)

Deferred tax

Deferred tax is accounted for under the liability method on timing differences to the extent that, in the opinion of the directors, it is probable that a liability will crystallise in the foreseeable future.

Turnover

Turnover represents amounts receivable from the principal activities of the company, excluding value added tax.

2 Segmental information

	1994		1993	
	Turnover	Attributable pre-tax profit	Turnover	Attributable pre-tax profit
	£	£	£	£
<i>By activity</i>				
Farming	46,661	(37,630)	54,143	(37,182)
Property construction and management and other activities	842,670	156,518	1,551,948	2,242,460
	<u>889,331</u>	<u>118,888</u>	<u>1,606,091</u>	<u>2,205,278</u>

In the opinion of the directors, turnover arose in the same geographical market.

Beeson and Sons Limited

Notes (continued)

3 Profit on ordinary activities before tax

	1994 £	1993 £
<i>Profit on ordinary activities before tax is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	22,200	20,000
Depreciation	59,417	88,669
	<u> </u>	<u> </u>
<i>after crediting</i>		
Profit on sale of fixed assets	-	30,247
	<u> </u>	<u> </u>

4 Remuneration of directors

None of the directors received emoluments for their services to the company during the year (1993: nil).

5 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the year, analysed by category, was as follows:

	Number of employees	
	1994	1993
Farming	2	2
Other activities	8	5
	<u> </u>	<u> </u>
	10	7
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	1994 £	1993 £
Wages and salaries	153,786	81,672
Social security costs	12,487	3,841
Other pension costs	6,558	-
	<u> </u>	<u> </u>
	172,831	85,513
	<u> </u>	<u> </u>

Beeson and Sons Limited

Notes (continued)

6 Net interest

	1994	1993
	£	£
On subordinated loans	-	2,412
Bank interest on loans repayable within five years	2,708	15,863
Accrued interest waived	-	(1,470,217)
	<u>2,708</u>	<u>(1,451,729)</u>

The amount of £1,470,217 in the prior year relates to the waiver of accrued interest payable on a loan due to a third party.

7 Tax on profit on ordinary activities

No liability to corporation tax arose in the year due to trading losses brought forward from previous years (1993: nil).

8 Tangible fixed assets

	Fixtures fittings and farm equipment £
<i>Cost</i>	
At 31 December 1994 and 1993	<u>723,010</u>
<i>Depreciation</i>	
At 31 December 1993	550,667
Charge for year	<u>59,417</u>
At 31 December 1994	<u>610,084</u>
<i>Net book value</i>	
At 31 December 1994	<u>112,926</u>
At 31 December 1993	<u>172,343</u>

Beeson and Sons Limited

Notes (continued)

9 Stocks

	1994 £	1993 £
Dealing properties	378,422	378,422
Farm stock: cattle	119,805	116,725
other	14,370	11,350
Jewellery	12,877	150,596
Antiques	119,183	144,870
	<u>644,657</u>	<u>801,963</u>

10 Debtors

	1994 Due within one year £	1993 Due within one year £
Trade debtors	38,461	1,058,659
Other debtors	1,834,869	942,727
	<u>1,873,330</u>	<u>2,001,386</u>

Beeson and Sons Limited

Notes (continued)

11 Creditors: amounts falling due within one year

	1994		1993	
	£	£	£	£
Bank loans and overdrafts		36,756		21,867
Trade creditors		112,757		118,608
Amount owed to group undertakings		2,176,176		2,087,273
Other creditors including tax and social security:				
- other taxes and social security	29,049		-	
- other creditors	7,184,139		7,601,543	
		<u>7,213,188</u>		<u>7,601,543</u>
Accruals and deferred income		112,340		98,062
		<u>9,651,217</u>		<u>9,927,353</u>

12 Creditors: amounts falling due after more than one year

	1994	1993
	£	£
Subordinated loans	<u>41,530</u>	<u>41,530</u>

These loans are subordinated to the claims of other creditors such that these loans may only be repaid, in full or in part, to the extent that the company remains solvent after such repayments and will be able to meet its debts as they fall due.

Interest is payable on £37,353 (1993: £37,353) of these balances at the prevailing base rate plus 1½% per annum.

Beeson and Sons Limited

Notes (continued)

13 Provisions for liabilities and charges

The provision of £155,000 in the prior year was in respect of deferred consideration on a dealing property purchased in 1989. The consideration has been transferred to current liabilities and is payable in 1995.

14 Deferred tax

No provision for deferred tax has been made since the directors do not anticipate any crystallisation of timing differences in the foreseeable future because of previous trading losses incurred.

15 Called up share capital

	1994 £	1993 £
<i>Authorised</i>		
Ordinary shares of £1 each	21,000	21,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	14,367	14,367

16 Reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss account £	1994 Total shareholders' funds £	1993 Total shareholders' funds £
At beginning of year	14,367	(7,162,558)	(7,148,191)	(9,353,469)
Profit for the year	-	118,888	118,888	2,205,278
At end of year	14,367	(7,043,670)	(7,029,303)	(7,148,191)

17 Ultimate parent company

The company's ultimate parent company is Beeson Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. A copy of the financial statements of Beeson Holdings Limited can be obtained from Stoke Park, Stoke Poges, Slough SL2 4NS.

Beeson and Sons Limited

Property construction, project management and other activities
trading account

for the year ended 31 December 1994

	1994 £	1993 £
Turnover	842,670	1,551,948
Cost of sales	(246,761)	(386,369)
Gross profit	595,909	1,165,579
Administrative expenses	(436,683)	(374,848)
Bank interest	(2,708)	(18,488)
Accrued interest waived	-	1,470,217
Profit for the year	156,518	2,242,460

This page does not form part of the audited financial statements.

Beeson and Sons Limited

Farming trading account
for the year ended 31 December 1994

	1994 £	1993 £
Turnover	46,661	54,143
Cost of sales	(39,932)	(42,404)
Gross profit	6,729	11,739
Administrative expenses	(44,359)	(48,921)
Loss for the year	(37,630)	(37,182)

This page does not form part of the audited financial statements.