

ARGENT GROUP DEVELOPMENTS PLC
(formerly ARGENT HOLDINGS PLC)

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1995

REGISTERED NUMBER 591419



ARGENT GROUP DEVELOPMENTS PLC

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

The company is an intermediate parent company for a group whose principal activity is that of property development and investment.

RESULTS, DIVIDEND AND BUSINESS REVIEW

On 20 December 1995, the company exchanged contracts to invest £25 million, a 38% interest, in Argent Development Consortium Limited ("ADC"). ADC, also on 20 December 1995, acquired development land for £56 million from two fellow subsidiary companies. The results for the year are set out on page 4.

The directors recommend the payment of a £6 million dividend.

The loss transferred to reserves is £6,007,904 (1994 profit : £19,206,473).

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year were:-

M I Freeman
P G Freeman

Neither of the directors had any beneficial interest in the ordinary shares of the company at any time during the year. The interests of the directors in the ultimate parent company, Argent Group PLC, are shown in that company's accounts.

ARGENT GROUP DEVELOPMENTS PLC

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are required by company law to prepare accounts based on applicable accounting standards, which 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 for the year.

The Directors ensure that, in preparing the accounts, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The Directors are also responsible for ensuring that adequate systems of internal control are in operation for maintaining adequate accounting records, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.

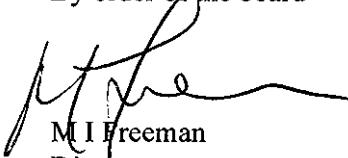
GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

AUDITORS

Our auditors, KPMG have informed us that a limited liability company, KPMG Audit plc, is to undertake part of their audit work. Accordingly a resolution, for which special notice will be given, will be proposed at the Annual General Meeting concerning the appointment of KPMG Audit plc.

By order of the board



M I Freeman
Director

5 Albany Courtyard
Piccadilly
London
W1V 9RB

19 March 1996

REPORT OF THE AUDITORS, KPMG,
TO THE MEMBERS OF ARGENT GROUP DEVELOPMENTS PLC

We have audited the accounts on pages 4 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the Company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LONDON

19 March 1996

KPMG

KPMG
Chartered Accountants
Registered Auditors

ARGENT GROUP DEVELOPMENTS PLC**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1995**

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
Sale of investments		(404)	19,206,473
Administrative expenses		(7,500)	-
		-----	-----
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	2	(7,904)	19,206,473
Dividend paid and proposed		(6,000,000)	-
Retained profit brought forward		19,218,214	11,741
		-----	-----
RETAINED PROFIT CARRIED FORWARD		13,210,310	19,218,214
		=====	=====


The company has no recognised gains or losses other than the loss for the financial year.

All amounts derive from continuing operations.

ARGENT GROUP DEVELOPMENTS PLC**BALANCE SHEET AS AT 31 DECEMBER 1995**

	<u>Note</u>	<u>1995</u> £	<u>1995</u> £	<u>1994</u> £	<u>1994</u> £
FIXED ASSETS					
Investments	4		26,632,107		1,632,107
CURRENT ASSETS					
Debtors	5	17,922,006		17,929,506	
Creditors: amounts falling due within one year	6	(31,143,803)		(143,399)	
		-----		-----	
Net current (liabilities)/assets			(7,221,797)		17,786,107
			-----		-----
			13,410,310		19,418,214
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	7		200,000		200,000
Profit and loss account			13,210,310		19,218,214
			-----		-----
Equity shareholders' funds			13,410,310		19,418,214
			=====		=====

These accounts were approved by the Board of Directors on 19 March 1996


M I Freeman

) Directors
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R M Millar

ARGENT GROUP DEVELOPMENTS PLC**NOTES TO THE ACCOUNTS****1. PRINCIPAL ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

The company is exempt under Section 228 of the Companies Act 1985 from the obligation to prepare group accounts and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary of another company incorporated in Great Britain.

Investments

Fixed asset investments are stated at cost less any permanent diminution in value.

2. PROFIT BEFORE AND AFTER TAXATION

The number of employees during the year was nil (1994: nil).

No taxation has been provided due to the availability of group relief provisions.

3. EMOLUMENTS OF DIRECTORS

The directors received no emoluments in the year (1994: nil).

4. INVESTMENTS

	<u>1995</u>	<u>1994</u>
	£	£
Shares in subsidiary undertakings	1,632,107	1,632,107
Shares in associated undertakings	25,000,000	-
	-----	-----
	<u>26,632,107</u>	<u>1,632,107</u>
	=====	=====

ARGENT GROUP DEVELOPMENTS PLC**NOTES TO THE ACCOUNTS****4. INVESTMENTS CONTINUED**

The company's principal subsidiaries and associates at 31 December 1995 are listed below:

<u>Name</u>	<u>% Held</u>	<u>Nature of Trade</u>
Argent Estates Ltd	100	Property development
Argent (Nash House) Ltd	100	Property development
Argent Covent Garden Ltd	100	Property development
Argent Enterprises Ltd	100	Property development
Argent Construction Ltd	100	Construction Management
Liquid Properties Ltd	100	Property development
Evershot Developments Ltd	100	Property development
Argent Real Estate (Knightsbridge) Ltd	100	Property development
Laurence Estates Ltd	100	Property development
Brindleyplace PLC	100	Property development
Argent Development Consortium	38	Property development

All subsidiary undertakings are registered in England and Wales.

5. DEBTORS

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Amounts owed by fellow subsidiary and parent undertakings	17,922,006	17,929,506
	=====	=====

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Amounts owed to fellow subsidiary and parent undertakings	143,803	143,399
Dividend payable	6,000,000	-
Investment in ADC	25,000,000	-
	-----	-----
	31,143,803	143,399
	=====	=====

7. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Ordinary shares of £1 each:		
Authorised, allotted, called up and fully paid	200,000	200,000
	=====	=====

ARGENT GROUP DEVELOPMENTS PLC**NOTES TO THE ACCOUNTS****8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>1995</u>	<u>1994</u>
	£	£
Shareholders funds at 1 January	19,418,214	211,741
Retained (loss)/profit for the financial year	(7,904)	19,206,473
Dividends	(6,000,000)	-
	-----	-----
Shareholders funds at 31 December	13,410,310	19,418,214
	=====	=====

9. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Argent Group PLC, a company which is registered in England and Wales.

Copies of the consolidated accounts of Argent Group PLC may be obtained from its registered office, 5 Albany Courtyard, Piccadilly, London, W1V 9RB.