

SEAGLEN INVESTMENTS LIMITED

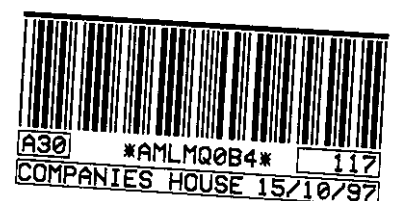
Company No: 616559

FINANCIAL STATEMENTS

for the year ended

31ST MARCH 1997

COHEN, ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1X 2JP



SEAGLEN INVESTMENTS LIMITED

DIRECTORS

B S E Freshwater
D Davis

SECRETARY

C C Morse F.C.I.S.

REGISTERED OFFICE

Freshwater House
158-162 Shaftesbury Avenue
LONDON WC2H 8HR

AUDITORS

Cohen, Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

SEAGLEN INVESTMENTS LIMITED

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FOR THE YEAR ENDED 31ST MARCH 1997

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SEAGLEN INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report, together with the Financial Statements of the Company for the year ended 31st March 1997.

BUSINESS REVIEW

The principal activity of the Company is property trading. There has been no significant change in the nature of the Company's business activities during the year under review, nor is any envisaged in the immediate future.

RESULTS AND DIVIDEND

The results for the year are set out in the attached Financial Statements and Explanatory Notes. An interim dividend of £20,000 has been paid. The Directors do not recommend the payment of a final dividend.

PROPERTIES

A professional valuation of the properties held for trading was carried out on 31st March 1997 by the Group's valuers Cardales, on the basis of open market value. The surplus of £462,159 over book value has not been incorporated in the Financial Statements.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served throughout the year and who are still in office are:

Mr B S E Freshwater
Mr D Davis

The Articles of Association of the Company do not require the Directors to retire by rotation.

Neither Director has a service contract, nor do they receive any emoluments from the Company.

Day to day management of the Company's property is carried out by Highdorn Co. Limited and Freshwater Property Management Limited. Mr B S E Freshwater is a Director of both Companies and is also interested in the share capital of Highdorn Co. Limited. Mr B S E Freshwater and Mr D Davis are also Governors of the Parent Undertaking of Freshwater Property Management Limited but have no beneficial interest in either company.

The whole of the issued share capital of the Company is owned by The Bampton Property Group Limited. At 31st March 1997 neither of the Directors had any interest in the share and loan capital of the Company, the Company's Parent Undertaking or any Subsidiary of the Company's Parent Undertaking.

The interests of the Directors, and those of their families and family trusts, in the share capital of Daejan Holdings PLC, the Ultimate Parent Undertaking, are set out in the Directors' Report of that Company.

SEAGLEN INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

(Continued)

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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) 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 maintaining 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.

DONATIONS

During the year the Company made no charitable donation nor political contribution.

INCOME AND CORPORATION TAXES ACT 1988

The Directors are advised that the Company is a close company within the meaning of the Act.

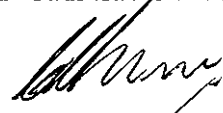
AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the Board to fix their remuneration will be proposed at the Annual General Meeting.

Head Office:
Freshwater House
158-162 Shaftesbury Avenue
London WC2H 8HR

Date: 22 August 1997

BY ORDER OF THE BOARD


C.C. MORSE
SECRETARY

REPORT OF THE AUDITORS, COHEN, ARNOLD & CO

TO THE MEMBERS

-OF-

SEAGLEN INVESTMENTS LIMITED

We have audited the Financial Statements set out on pages 4 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As indicated in the Directors' Report, 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 the Financial Statements and to report our opinion to you.

BASIS OF OPINION

We have 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 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.

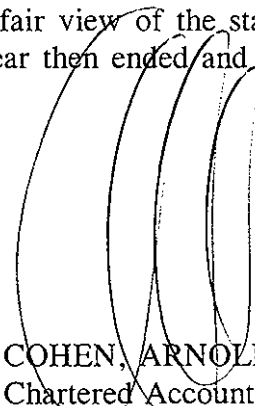
We have planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence and to give reasonable assurance that the Financial Statements are free from material mis-statement, whether caused by fraud or other 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 affairs of the Company at 31st March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

Date: 22 August 1997


COHEN, ARNOLD & CO
Chartered Accountants and
Registered Auditor

SEAGLEN INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	Note	<u>1997</u>	<u>1996</u>
		£	£
Property Sales		113,999	262,000
Cost of Sales		(20,743)	(47,470)
		<hr/>	<hr/>
Rents and Charges Receivable		32,083	32,394
Property Outgoings		(64,277)	(21,294)
		<hr/>	<hr/>
		(32,194)	11,100
Administrative Expenses	2	(3,500)	(3,500)
		<hr/>	<hr/>
OPERATING PROFIT		57,562	222,130
Interest Payable	3	(24,049)	(36,000)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,513	186,130
Taxation	4	(11,075)	(57,760)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		22,438	128,370
Interim Dividends Paid		(20,000)	(100,000)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	8	£2,438	£28,370
		<hr/>	<hr/>

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The notes on pages 6 to 9 form part of these Financial Statements.

SEAGLEN INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH 1997

	Note	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS			
Properties held for Trading	1	429,841	443,556
Debtors	5	13,747	30,808
		<hr/>	<hr/>
		443,588	474,364
CREDITORS: Amounts falling due within one year	6	(322,874)	(356,088)
		<hr/>	<hr/>
NET ASSETS		£120,714	£118,276
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Equity Share Capital		100	100
Non-Equity Share Capital		100	100
		<hr/>	<hr/>
Called up Share Capital	7	200	200
Profit and Loss Account	8	120,514	118,076
		<hr/>	<hr/>
		£120,714	£118,276
		<hr/> <hr/>	<hr/> <hr/>

These Financial Statements were approved by the Board of Directors on 22 August 1997 and signed on its behalf by:

.....
B S E FRESHWATER

DIRECTORS

.....
D DAVIS

The notes on pages 6 to 9 form part of these Financial Statements.

SEAGLEN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

1. PRINCIPAL 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.

1.1 BASIS OF ACCOUNTING

The Financial Statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

1.2 PROPERTIES HELD FOR TRADING

These properties are stated at the lower of cost and net realisable value.

1.3 ACQUISITIONS AND DISPOSALS OF PROPERTIES

Acquisitions and disposals are considered to have taken place at the date of legal completion.

1.4 CASH FLOW STATEMENT

Under Financial Reporting Standard No. 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 Undertaking registered in England and Wales, which prepared consolidated Financial Statements that include a consolidated cash flow statement.

1.5 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions in Financial Reporting Standard number 8 "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other Daejan Holdings Plc Group Companies.

2. ADMINISTRATIVE EXPENSES

	<u>1997</u> £	<u>1996</u> £
Audit Fees	<u>£3,500</u>	<u>£3,500</u>

The Directors of the Company received no remuneration during the year or in the preceding year.

Apart from the Directors there were no other employees of the Company during the year or in the preceding year.

SEAGLEN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

3. INTEREST PAYABLE

	<u>1997</u>	<u>1996</u>
	£	£
Group Interest Payable	24,000	36,000
Interest On Overdue Tax	49	-
	<hr/> £24,049	<hr/> £36,000
	<hr/>	<hr/>

4. TAXATION

	<u>1997</u>	<u>1996</u>
	£	£
Taxation based on Profit for the year:		
Corporation Tax at 33%	£11,075	£57,760
	<hr/>	<hr/>

5. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Rents and Charges Receivable	12,642	14,964
Other Debtors and Prepayments	1,105	15,844
	<hr/> £13,747	<hr/> £30,808
	<hr/>	<hr/>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
	£	£
Rents and Charges Charged in Advance	3,305	4,972
Corporation Tax	11,075	57,760
Amount due to Immediate Parent Undertaking	270,363	252,305
Amount due to Intermediate Parent Undertaking	24,000	36,000
Other Creditors and Accruals	14,131	5,051
	<hr/> £322,874	<hr/> £356,088
	<hr/>	<hr/>

SEAGLEN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

7. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
<u>Authorised, Allotted, Called up and Fully Paid:</u>		
100 Ordinary Shares of £1 each	100	100
100 Deferred Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>
	£200	£200
	<hr/>	<hr/>

Other than the Deferred Ordinary Shares, funds relate exclusively to equity Shareholders' interests.

The Deferred Ordinary Shares rank after the Ordinary Shares up to their nominal amount. Any excess reserves thereafter are distributed amongst ordinary shareholders only.

8. PROFIT AND LOSS ACCOUNT

	£
At 1st April 1996	118,076
Profit for the Financial Year	2,438
	<hr/>
At 31st March 1997	£120,514
	<hr/>

SEAGLEN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

9. DIRECTORS' INTEREST IN CONTRACTS

Day to day management of the Companies properties are carried out by Highdorn Co. Limited and Freshwater Property Management Limited, which are both members of the Freshwater Group of Companies with which this Company is closely associated. Mr B.S.E. Freshwater is a Director of both the aforementioned companies and is also interested in the share capital of Highdorn Co. Limited. Mr B.S.E. Freshwater and Mr D. Davis are also Governors of the parent undertaking of Freshwater Property Management Limited but have no beneficial interest in either Company.

The amounts paid for the provision of management services charged for at normal commercial rate were:

Highdorn Co. Ltd		Freshwater Property Management Ltd	
1997	1996	1997	1996
£	£	£	£
£1,340	-	£6,207	£1,937
<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. ULTIMATE PARENT UNDERTAKING

The Company's Ultimate Parent Undertaking is Daejan Holdings PLC, a company incorporated in the United Kingdom and registered in England and Wales.

The Parent Undertaking of the largest group of undertakings for which group Financial Statements are drawn up is Daejan Holdings PLC and the Parent of the smallest group of undertakings for which group Financial Statements are drawn up is Bampton Holdings Limited.

Copies of these Financial Statements can be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR.