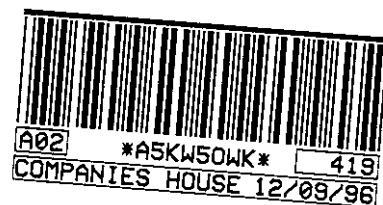


Registered Company Number 976653

TILBURY DEVELOPMENTS LIMITED

31st December 1995

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## REPORT OF THE DIRECTORS

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

## ACTIVITIES

The company has not traded during the year consequently no Profit and Loss account is submitted.

## DIRECTORS

The directors who served during the year and who remain directors at the date of this report are set out below:-

D.M. Nicoll		
A.G. Silber		
M.S. Lee	-	Resigned 25.9.95
W N Mason-Jones	-	Appointed 25.9.95

None of the directors has any beneficial interest in the shares of the company.

The interests of the directors at 31st December 1995 in the capital of the ultimate parent undertaking are as stated below.

<u>Director</u>	<u>Options over shares of 25p each</u>		<u>Exercise Price</u>	<u>Period of Exercise</u>
	<u>Number of options</u>	<u>Number of options</u>		
	31.12.95	01.01.95		
D.M. Nicoll	4,935	4,935	542p	Between 13.04.95 and 12.02.02

No options to subscribe for shares of 25p each in the ultimate parent undertaking were granted to or exercised by directors during the year to 31st December 1995. The market price of the shares at 31st December 1995 was 445p.

The directors have no other interest in any other group undertaking (1994 - none).

REPORT OF THE DIRECTORS (continued)

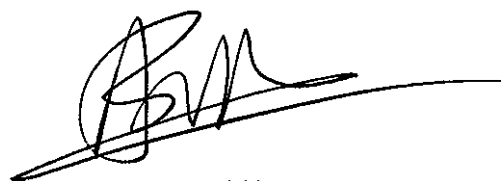
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AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Tilbury House  
Ruscombe Park  
Twyford  
Reading  
Berkshire  
RG10 9JU

Approved by the Board of Directors and  
signed on behalf of the Board by

A handwritten signature in black ink, appearing to be 'A.G. Silber', written over a horizontal line.

A.G. Silber  
Secretary

17 April 1996

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 each 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;
- state whether applicable accounting standards have been followed;
- 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 Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF TILBURY DEVELOPMENTS LIMITED**

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We have audited the financial statements on pages 5 and 6 which have been prepared under the accounting policies set out on page 6.

**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.

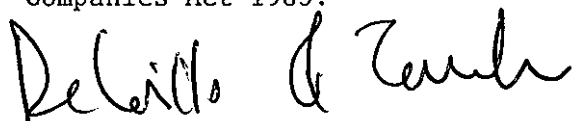
**Basis of opinion**

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 circumstances of the company 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 affairs of the company as at 31st December 1995 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Chartered Accountants and Registered Auditors

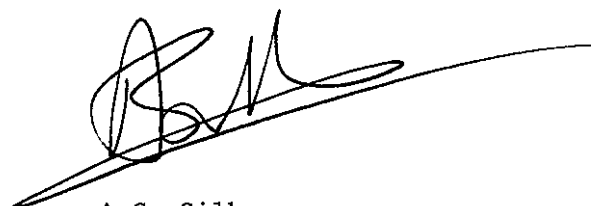
8 May 1996

Hill House  
1 Little New Street  
London  
EC4A 3TR

## BALANCE SHEET AT 31ST DECEMBER 1995

	Note	1995 £	1994 £
<b>CURRENT ASSETS</b>			
Debtors	2	£77,342 =====	£77,342 =====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	50,000	50,000
Profit and loss account		<u>27,342</u>	<u>27,342</u>
Shareholders' funds	5	£ 77,342 =====	£ 77,342 =====
Attributable to equity shareholder		67,342	67,342
Attributable to non equity shareholder		10,000	10,000

These financial statements were approved by the Board of Directors on 17 April 1996. Signed on behalf of the Board of Directors.



A.G. Silber  
DIRECTOR



D.M. Nicoll  
DIRECTOR

## NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1995

**1. ACCOUNTING POLICIES**

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

**2. DEBTORS**

	1995 £	1994 £
Amounts owed by fellow subsidiary	77,342	77,342

**3. CALLED UP SHARE CAPITAL**

Authorised

10,000 cumulative convertible preferred ordinary shares of £1 each	10,000	10,000
45,000 ordinary shares of £1 each	<u>45,000</u>	<u>45,000</u>
	£ 55,000	£ 55,000
	=====	=====

Allotted and fully paid

10,000 cumulative convertible preferred Ordinary Shares of £1 each	10,000	10,000
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
	50,000	50,000
	=====	=====

The cumulative convertible preferred ordinary shares may be converted to ordinary shares by the shareholders at any time providing that all such shares are converted at that time. The parent company has agreed to waive the accumulated dividend on these shares.

**4. CONTINGENT LIABILITIES**

The company has given guarantees covering banking facilities made available to the parent and fellow subsidiary undertakings. At 31st December 1995 these amounted to £Nil (1994-£Nil).

**5. ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent undertaking is Tilbury Douglas Plc, which is incorporated in Great Britain and registered in England and Wales. The group accounts of Tilbury Douglas Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.