

Company Registration No: 1008801

D S ESTATES (INVESTMENTS) LIMITED

Report and Financial Statements

31 December 1995



D S ESTATES (INVESTMENTS) LIMITED

REPORT AND FINANCIAL STATEMENTS 1995

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REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A E Bodie
M H Marx

SECRETARY

S A Lanes FCA

REGISTERED OFFICE

Portland House
Stag Place
London SW1E 5DS

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY AND REVIEW OF DEVELOPMENTS

The principal activity of the company at present and for the foreseeable future is that of property investment. The company did not trade during the year.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The directors recommend the payment of a dividend of £1,000,000 (1994: £6,191,567) to be paid on 31 October 1996.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year were as follows:

A E Bodie
M H Marx

Neither director had any interests in the shares of the company nor any other Group company during the year except as noted below.

The interests of A E Bodie and M H Marx in the 50p ordinary shares of Development Securities PLC, the ultimate parent company, and the options granted to them under that company's share option scheme are disclosed in the 1995 Report and Financial Statements of that company.

TAXATION STATUS

The company is not a close company as defined in the Income and Corporation Taxes Act 1988.

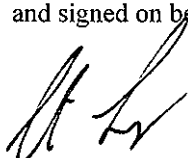
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Group maintains liability insurance for its directors and officers against liability claims.

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 concerning the reappointment of Deloitte & Touche as auditors is to be proposed at the forthcoming Annual General Meeting.

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



S A Lanes
Secretary
30 October 1996

STATEMENT OF 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 as at the end of the financial year and of its profit or loss for that year. 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 a 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. 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.

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

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.

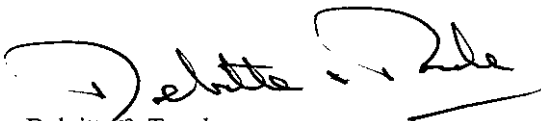
Basis of opinion

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 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
Hill House
1 Little New Street
London EC4A 3TR
30 October 1996

D S ESTATES (INVESTMENTS) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 1995

	Note	12 months to 31 December 1995 £	18 months to 31 December 1994 £
TURNOVER	1	-	910,198
Cost of sales		<u>-</u>	<u>-</u>
GROSS PROFIT		-	910,198
Profit on sale of investment properties		-	437,762
Administrative expenses		<u>-</u>	<u>(142,018)</u>
OPERATING PROFIT	2	-	1,205,942
Net interest receivable	3	<u>-</u>	<u>2</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	1,205,944
Taxation	4	<u>-</u>	<u>19,929</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	1,225,873
Dividends on equity shares	5	<u>(1,000,000)</u>	<u>(6,191,567)</u>
LOSS RETAINED FOR THE YEAR		(1,000,000)	(4,965,694)
RETAINED PROFIT BROUGHT FORWARD		<u>5,595,230</u>	<u>10,560,924</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£4,595,330</u></u>	<u><u>£5,595,230</u></u>

All activities derive from continuing operations.

There are no recognised gains or losses or movements in shareholders' funds for the current year and preceding financial period other than as stated in the profit and loss account.

D S ESTATES (INVESTMENTS) LIMITED

BALANCE SHEET 31 December 1995

	Note	1995 £	1994 £
CURRENT ASSETS			
Debtors	6	16,077,235	17,077,235
CREDITORS: amounts falling due within one year	7	<u>(11,481,905)</u>	<u>(11,481,905)</u>
NET ASSETS		<u>£4,595,330</u>	<u>£5,595,330</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account		<u>4,595,230</u>	<u>5,595,230</u>
EQUITY SHAREHOLDERS' FUNDS		<u>£4,595,330</u>	<u>£5,595,330</u>

These financial statements were approved by the Board of Directors on 30 October 1996.

Signed on behalf of the Board of Directors


 M H Marx
 Director

D S ESTATES (INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 1995

1 ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention.

Turnover

Turnover comprises rental income which all arose in the United Kingdom and is stated net of Value Added Tax.

2 OPERATING PROFIT

None of the directors received any emoluments from the company during the year (1994: £nil).

The auditors' remuneration for the current year and preceding financial period has been borne by Development Securities Estates PLC, a fellow subsidiary undertaking.

The company does not have any employees (1994: nil).

3 INTEREST RECEIVABLE

	12 months to 31 December 1995	18 months to 31 December 1994
Interest receivable	<u>£-</u>	<u>£2</u>

4 TAXATION

	1995 £	1994 £
UK corporation tax at 33% (1994: 33%)	-	-
Adjustment in respect of prior years	<u>-</u>	<u>19,929</u>
	<u>£-</u>	<u>£19,929</u>

D S ESTATES (INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 1995

5 DIVIDENDS

	12 months to 31 December 1995	18 months to 31 December 1994
Proposed dividend of £10,000 (1994: £61,915.67) per Ordinary share	<u>£1,000,000</u>	<u>£6,191,567</u>

6 DEBTORS

	31 December 1995 £	31 December 1994 £
Amounts owed by ultimate parent company	16,077,235	17,044,484
Amounts owed by group undertakings	<u>-</u>	<u>32,751</u>
	<u>£16,077,235</u>	<u>£17,077,235</u>

7 CREDITORS: amounts falling due within one year

	1995	1994
Amounts owing to group undertaking	<u>£11,481,905</u>	<u>£11,481,905</u>

8 CALLED UP SHARE CAPITAL

	1995	1994
Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid: 100 Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>

9 CASH FLOW STATEMENT

The ultimate parent company, Development Securities PLC, has prepared a consolidated cash flow statement in accordance with Financial Reporting Standard No. 1, thus exempting the company from the requirement to prepare a cash flow statement.

D S ESTATES (INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 1995

10 ULTIMATE PARENT COMPANY

The ultimate parent company is Development Securities PLC, a company registered in England and Wales. Copies of the Report and Financial Statements of Development Securities PLC can be obtained from Portland House, Stag Place, London SW1E 5DS.