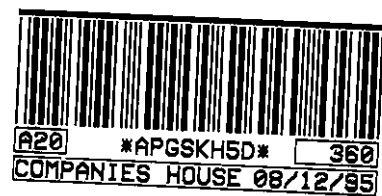


BRYAD DEVELOPMENTS LIMITED  
REPORT AND FINANCIAL STATEMENTS  
31 MAY 1995



BRYAD DEVELOPMENTS LIMITED

DIRECTORS' REPORT

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

1. ACTIVITIES

The activities of the group are building and development.

2. REVIEW OF ACTIVITIES

The group has performed satisfactorily given the general economic climate. Further details of the group's performance are given in the profit and loss account on page 4 and the notes on page 9. The position of the group and the company at the end of the year is set out in the balance sheets on pages 5 and 6 and the notes on pages 10 to 12. The directors consider that the group is well placed to continue to perform satisfactorily given a favourable trading climate.

3. DIVIDEND AND TRANSFER TO RESERVES

A dividend of £4,311,000 (1994 - £3,000,000) was paid in the year. The retained loss of £3,094,247 (1994 - £1,567,603) has been deducted from reserves brought forward.

4. DIRECTORS

The following were directors of the company during the year :-

A.Mackenzie	
A.G.Confavreux	(resigned 9 March 1995)
J.P.E.Dennison	
C.C.Gabb	
D.S.George	
R.S.Shearer	
A.C.Williams	(resigned 30 November 1994)
G.R. Menzies	
B. Allinson	(appointed 9 March 1995)
R.N. Price	(appointed 9 March 1995)

At no time during the year did any director have any interest in the shares of the company.

5. AUDITORS

The auditors, Touche Ross & Co., have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

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



B. Allinson  
Secretary

BRYAD DEVELOPMENTS LIMITED

YEAR ENDED 31 MAY 1995

**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 the profit or loss of the company 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 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

of

BRYAD DEVELOPMENTS LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 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 affairs of the company and the group as at 31 May 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross & Co. 13 November 1995*

Touche Ross & Co  
Chartered Accountants and Registered Auditors  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN

BRYAD DEVELOPMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 May 1995

	Note	1995 £	1994 £
Turnover		9,996,147	12,867,162
Cost of sales		7,921,285	10,430,670
		<hr/>	<hr/>
Gross Profit		2,074,862	2,436,492
Administrative expenses		5,171	15,174
		<hr/>	<hr/>
Operating profit		2,069,691	2,421,318
Interest payable	2	260,541	303,944
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	1,809,150	2,117,374
Tax on profit on ordinary activities	4	592,397	684,977
		<hr/>	<hr/>
Profit on ordinary activities after taxation being the profit for the year		1,216,753	1,432,397
Dividend paid		4,311,000	3,000,000
		<hr/>	<hr/>
Retained (deficit) for the year		(3,094,247)	(1,567,603)
Retained profit brought forward		6,140,787	7,708,390
		<hr/>	<hr/>
Retained profit carried forward		£3,046,540	£6,140,787
		=====	=====

All material activities derive from continuing operations.

The group has no recognised gains or losses other than the profit for the year. Accordingly a statement of total recognised gains and losses has not been prepared.

BRYAD DEVELOPMENTS LIMITED

CONSOLIDATED BALANCE SHEET - 31 May 1995

	Note	1995 £	1994 £
<b>CURRENT ASSETS</b>			
Stocks		5,695,012	5,832,991
Debtors	7	2,546,510	4,812,627
		<hr/>	<hr/>
		8,241,522	10,645,618
		<hr/>	<hr/>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Bank overdraft and loan	8	3,466,518	3,730,419
Cash received on account		-	664
Corporation tax		591,193	689,160
Amounts owed to shareholders		1,015,707	-
Accruals		120,564	83,588
		<hr/>	<hr/>
		£5,193,982	£4,503,831
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>£3,047,540</b>	<b>£6,141,787</b>
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1,000	1,000
Profit and loss account		3,046,540	6,140,787
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	<b>£3,047,540</b>	<b>£6,141,787</b>
		=====	=====

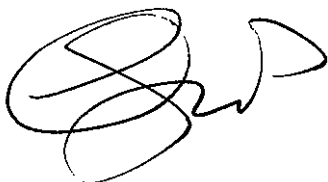
Approved by the Board of Directors on

*18 September 1995.*

Signed on behalf of the Board of Directors

C.C.Gabb

Director



BRYAD DEVELOPMENTS LIMITED

BALANCE SHEET - 31 May 1995

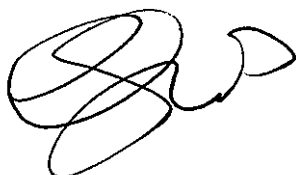
	Note	1995 £	1994 £
FIXED ASSETS			
Investments	6	100	100
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks		5,695,012	5,641,536
Debtors	7	2,546,510	5,301,237
		<hr/>	<hr/>
		8,241,522	10,942,773
		<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft and loan	8	3,466,518	4,455,138
Cash received on account		-	664
Amounts owed to subsidiaries		1,034,634	856,975
Corporation tax		572,366	663,900
Accruals		120,564	79,088
		<hr/>	<hr/>
		5,194,082	6,055,765
		<hr/>	<hr/>
NET CURRENT ASSETS		3,047,440	4,887,008
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 3,047,540	£ 4,887,108
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account		3,046,540	4,886,108
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		£ 3,047,540	£ 4,887,108
		=====	=====

Approved by the Board of Directors on

Signed on behalf of the Board of Directors

C.C.Gabb

Director



BRYAD DEVELOPMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 May 1995

	Note	1995	1994
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	11	5,525,806	5,453,147
		=====	=====
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(260,541)	(303,944)
Dividends paid		(4,311,000)	(3,000,000)
		-----	-----
		£ (4,571,541)	£(3,303,944)
		=====	=====
Corporation tax paid		(690,364)	(339,020)
		-----	-----
Increase in cash and cash equivalents	12	£ 263,901	£ 1,810,183
		=====	=====



BRYAD DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

The particular accounting policies adopted are described below.

1. BASIS OF CONSOLIDATION

The group financial statements consolidate the results of the company and its subsidiary, Bryad Infrastructure Limited.

2. BASIS OF ACCOUNTING

The financial statements are prepared on the historic cost basis of accounting.

3. TURNOVER AND PROFIT TAKING

Turnover represents sales of newly constructed homes and land. Profit is taken on legal completion.

4. STOCKS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost represents direct costs plus site overheads.

BRYAD DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 1995

1. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Directors are remunerated for their services by Bryant Group Services Limited and Adwest Group plc.

The company has no employees and is managed by Bryant Homes Southern Limited and Adwest Properties Limited.

2. INTEREST PAYABLE

	1995	1994
Bank overdraft and loans repayable within five years	£260,541	£303,944
	=====	=====

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995	1994
After charging:		
Auditors' remuneration	£ 4,450	£ 4,450
	=====	=====

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995	1994
Corporation tax at a rate of 33% (1994 - 33%)	£ 592,397	£ 684,977
	=====	=====

5. LOSS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The consolidated profit and loss account includes a loss for the year of £1,839,568 (1994 - loss £1,652,383) which is dealt with in the financial statements of the parent company.

BRYAD DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 1995

6. INVESTMENTS HELD AS FIXED ASSETS

	1995	1994
Shares in subsidiary at cost	£100	£100
	==	==

The company's subsidiary is Bryad Infrastructure Limited, which is wholly owned, operating and incorporated in England and Wales.

7. DEBTORS.

	The Group		The Company	
	1995	1994	1995	1994
	£	£	£	£
Trade debtors	75,626	-	75,626	-
Amounts owed by shareholders	2,460,475	4,804,874	2,460,475	5,293,484
Other debtors	10,409	7,753	10,409	7,753
	=====	=====	=====	=====
	£ 2,546,510	£4,812,627	£2,546,510	£5,301,237
	=====	=====	=====	=====

8. BANK OVERDRAFT AND LOAN

The bank overdraft and loan is secured by a fixed and floating charge on the assets of the group.

9. CALLED UP SHARE CAPITAL

	1995	1994
	£	£
Authorised, called up allotted and fully paid		
'A' shares of £1 each	500	500
'B' shares of £1 each	500	500
	=====	=====
	1,000	1,000
	=====	=====

BRYAD DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 1995

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	1995 £	1994 £
Profit for the financial year	1,216,753	1,432,397
Dividends	(4,311,000)	(3,000,000)
Net reduction in Shareholders' Funds	(3,094,247)	(1,567,603)
Opening shareholders funds	6,141,787	7,709,390
Closing shareholders funds	£ 3,047,540 =====	£ 6,141,787 =====

11. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM  
OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	2,069,691	2,421,318
Decrease in stocks	137,979	2,907,559
(Increase)/decrease in debtors	(78,282)	9,805
Increase in amounts due to shareholders	1,015,707	-
Decrease in amounts due from shareholder companies	2,344,399	209,554
Increase/(decrease)in creditors	36,312	(95,089)
	£ 5,525,806 =====	£5,453,147 =====

BRYAD DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 1995

12 ANALYSIS OF THE CHANGES IN CASH AND CASH EQUIVALENTS  
DURING THE YEAR

	1995 £	1994 £
Bank overdraft at 1 June	(3,730,419)	(5,540,602)
Cash inflow	263,901	1,810,183
	<hr/>	<hr/>
Bank overdraft at 31 May	£ (3,466,518) =====	£(3,730,419) =====

13 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS  
SHOWN IN THE BALANCE SHEET

	1995 £	1994 £	Change in Year £
Bank overdraft	(966,518)	(230,419)	(736,099)
Bank loan repayable on demand	(2,500,000)	(3,500,000)	1,000,000
	<hr/>	<hr/>	<hr/>
	(3,466,518) =====	(3,730,419) =====	263,901 =====

14 CONTINGENT LIABILITIES

Performance bonds and other building guarantees have been entered into in the normal course of business.