

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)
(Registered Number 1235394)

FINANCIAL STATEMENTS

30 APRIL 1993



THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

DIRECTORS' REPORT FOR THE YEAR ENDED
30 APRIL 1993

The directors have pleasure in submitting the group and company's financial statements for the year ended 30 April 1993.

PRINCIPAL ACTIVITIES

The principal activity of the group remains the acquisition of land and property for development and investment.

SHARE CAPITAL

During the year the company's authorised share capital was increased to £900,000 from £100,000. Subsequently 100,000 'A' ordinary shares, 200,000 redeemable ordinary shares and 500,000 redeemable preference shares each with a nominal value of £1 were issued at par for cash consideration. The issue was made in order to provide additional working capital for the company. In addition, the 100,000 existing ordinary shares were re-classified as 'B' ordinary shares, again with a nominal value of £1 each.

REVIEW OF THE BUSINESS

The loss for the financial year was £1,908,018 (1992: profit - £628,479) which has been transferred to reserves.

The directors do not recommend the payment of a dividend.

COMPANY ACQUISITIONS

In March 1993, two companies, TBI (South Wales) Limited and TBI (Tredegar) Limited were acquired for a consideration of £2 each. These amounts have yet to be settled. Both companies are engaged in the acquisition of land and property for development and investment.

FUTURE DEVELOPMENTS

The group expects to continue to develop the investment potential of its property portfolio.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

DIRECTORS' REPORT FOR THE YEAR ENDED
30 APRIL 1993 (CONTINUED)

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year, together with their interests in the shares of the company, were as follows:

	Redeemable Ordinary shares £	'A' Ordinary shares £	'B' Ordinary shares £	30 April 1993 Redeemable Preference shares £	1 May 1992 Ordinary shares £
P E Bailey	-	-	70,000	-	68,500
C A Bailey (resigned 26.10.92)	-	-	-	-	1,500
P M Guy ACA	-	-	30,000	-	30,000
G S Thomas (appointed 26.10.92)	200,000	100,000	-	500,000	-

Under an option agreement P E Bailey and P M Guy may purchase any number of redeemable ordinary shares subject to their combined holding of all classes of ordinary shares representing not more than fifty per cent of the company's issued ordinary share capital. This option expires on 31 December 1997 and is subject to certain other conditions being fulfilled.

CHARITABLE DONATIONS

During the year the group made charitable donations totalling £384 (1991 - £Nil).

TANGIBLE FIXED ASSETS

During the year, a subsidiary purchased a major portfolio of properties which will now be held for its investment potential. Full details of movements in tangible fixed assets are given in Note 9 to the financial statements.

CLOSE COMPANY STATUS

As far as the directors are aware the company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

DIRECTORS' REPORT FOR THE YEAR ENDED
30 APRIL 1993 (CONTINUED)

AUDITORS

During the year Chris Rich & Co resigned as auditors and the directors have appointed Price Waterhouse to replace them. A resolution will be placed before the Annual General Meeting to confirm their appointment.

By Order of the Board



P M GUY ACA
Secretary

21 July 1993

Conway House
St Mellons Business Park
St Mellons
Cardiff
South Glamorgan

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
THOMAS BAILEY INVESTMENTS PLC**

We have audited the Financial Statements on pages 5 to 20 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Company and the Group at 30 April 1993 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

John C. C. C. C.
PRICE WATERHOUSE
Chartered Accountants and
Registered Auditors

21 July 1993

Offices at: London, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Hull, Leeds, Leicester, Liverpool, London, Manchester, Middlesbrough, Newcastle, Nottingham, Oxford, Plymouth, Southampton, Swansea, Walsley, Warrington, Wolverhampton.
Incorporated in England and Wales.
The Auditors' Report is made to the Members of the Company and the Group.
The Auditors' Report is made to the Members of the Company and the Group.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1993**

	<u>1993</u> £	<u>1992</u> £
TURNOVER (Note 1)	96,000	4,697,000
Cost of sales	<u>(104,415)</u>	<u>(3,544,121)</u>
GROSS (LOSS)/PROFIT	(8,415)	1,152,879
Administrative expenses	(209,353)	(205,733)
Other operating income (Note 4)	949,576	878,681
Exceptional item (Note 7)	<u>275,000</u>	<u>(77,000)</u>
OPERATING PROFIT	1,007,106	1,748,827
Exceptional item - amounts written off investments (Note 7)	(1,700,000)	-
Interest receivable and similar income	42,405	111,680
Interest payable and similar charges (Note 5)	<u>(1,105,047)</u>	<u>(1,132,028)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 6)	(1,755,537)	728,479
Taxation on (loss)/profit on ordinary activities (Note 8)	<u>(152,481)</u>	<u>(100,000)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(1,908,018)	628,479
RETAINED EARNINGS BROUGHT FORWARD	638,618	420,139
Preference shares redeemed	-	(500,000)
Preference dividend waived	-	50,000
Consolidation adjustment	<u>-</u>	<u>40,000</u>
RETAINED (DEFICIT)/EARNINGS CARRIED FORWARD	<u>(1,269,400)</u>	<u>638,618</u>

The notes on pages 9 to 20 form an integral part of these financial statements.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)


CONSOLIDATED BALANCE SHEET - 30 APRIL 1993

	1993	1992
	£	£
FIXED ASSETS		
Tangible fixed assets (Note 9)	23,023,088	8,092,371
Investments (Note 10)	<u>3,453</u>	<u>203,451</u>
	23,026,541	8,295,822
CURRENT ASSETS		
Stock and work in progress (Note 11)	2,009,096	1,234,747
Debtors (Note 12)	1,029,203	1,597,517
Cash at bank and in hand	<u>248,778</u>	<u>221,325</u>
	3,287,077	3,053,589
CREDITORS - Amounts falling due within one year (Note 13)	<u>(6,875,776)</u>	<u>(2,998,363)</u>
NET CURRENT (LIABILITIES)/ASSETS	<u>(3,588,699)</u>	<u>55,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	19,437,842	8,351,048
CREDITORS - Amounts falling due after more than one year (Note 14)	<u>(17,682,202)</u>	<u>(5,430,250)</u>
	1,755,640	2,870,798
CAPITAL AND RESERVES		
Share capital (Note 16)	900,000	100,000
Capital redemption reserve	500,000	500,000
Profit and loss account	(1,269,400)	638,618
Revaluation reserve (Note 17)	<u>1,625,040</u>	<u>1,632,180</u>
	1,755,640	2,870,798
APPROVED BY THE BOARD ON 21 July 1993		

P E BAILEY
Director



P M GUY ACA
Director



The notes on pages 9 to 20 form an integral part of these financial statements.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

COMPANY BALANCE SHEET - 30 APRIL 1993

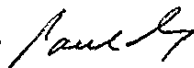
	1993	1992
	£	£
FIXED ASSETS		
Tangible fixed assets (Note 9)	8,068,759	8,092,371
Investments (Note 10)	<u>3,555</u>	<u>203,551</u>
	8,072,314	8,295,922
CURRENT ASSETS		
Stock and work in progress (Note 11)	1,660,190	797,897
Debtors (Note 12)	1,012,013	1,580,439
Cash at bank and in hand	<u>237,012</u>	<u>221,325</u>
	2,909,215	2,599,661
CREDITORS - Amounts falling due within one year (Note 13)	<u>(2,537,900)</u>	<u>(2,021,030)</u>
NET CURRENT ASSETS	<u>371,315</u>	<u>578,581</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	8,443,629	8,874,503
CREDITORS - Amounts falling due after more than one year (Note 14)	<u>(6,000,580)</u>	<u>(5,480,250)</u>
	2,443,049	3,394,253
CAPITAL AND RESERVES		
Share capital (Note 16)	900,000	100,000
Capital redemption reserve	500,000	500,000
Profit and loss account	(581,991)	1,162,073
Revaluation reserve (Note 17)	<u>1,625,040</u>	<u>1,632,180</u>
	2,443,049	3,394,253

APPROVED BY THE BOARD ON
21 July 1993

P E Bailey
DIRECTOR



P M Guy ACA
DIRECTOR



The notes on pages 9 to 20 form an integral part of these financial statements.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
30 APRIL 1993

	<u>1993</u> £	<u>1992</u> £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (Note 22)	<u>1,503,328</u>	<u>(1,099,687)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	42,405	111,833
Interest paid	<u>(906,708)</u>	<u>(1,132,028)</u>
	<u>(864,303)</u>	<u>(1,020,195)</u>
TAXATION		
Corporation tax refunded	10,158	-
Corporation tax paid	<u>(3,330)</u>	<u>-</u>
	<u>6,858</u>	<u>-</u>
INVESTING ACTIVITIES		
Purchase of fixed assets	(11,929,329)	-
Purchase of investments	(1,500,000)	(200,000)
Proceeds from sales of fixed assets	<u>9,000</u>	<u>4,075,000</u>
	<u>(13,420,329)</u>	<u>3,875,000</u>
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING	<u>(12,769,446)</u>	<u>1,755,118</u>
FINANCING		
Issue of ordinary share capital	800,000	-
Redemption of preference share capital	-	(500,000)
New secured loans	13,154,994	-
Repayment of existing loans	<u>(1,106,676)</u>	<u>(2,314,640)</u>
	<u>12,848,318</u>	<u>(2,814,640)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (Note 23)	<u>78,872</u>	<u>(1,059,522)</u>

The notes on pages 9 to 20 form an integral part of these financial statements.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993

1 ACCOUNTING POLICIES

The principal accounting policies of the Group are as follows:

(1) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards.

(2) Investment properties

Investment properties are included in the accounts at open market valuations made by the directors in accordance with Statement of Standard Accounting Practice Number 19. Gains arising on revaluation are credited to a revaluation reserve. Deficits will be charged to a revaluation reserve to the extent that the deficit can be covered by the reserve. Any excess deficit is charged to the profit and loss account.

Profits and losses on disposal of investment properties are included in the profit and loss account as part of the ordinary activities of the company.

(3) Deferred taxation

Provision for deferred taxation is made using the liability method. Provision is only made to the extent that there is a reasonable probability that a liability will crystallise in the foreseeable future.

(4) Stocks

Stock represents land and property held with the intention of resale. Stock is included at the lower of cost and estimated open market value. Where cost exceeds the value of the property then adjustments are made to write down the carrying value accordingly. Cost represents all costs incurred to the balance sheet date but does not include any interest costs.

(5) Interest

Interest costs incurred during the year have been accounted for on an accruals basis. All interest costs incurred during the year have been taken to the profit and loss account for the year.

(6) Swap and loan facility fees

Swap and loan facility fees incurred during the year have been accounted for on an accruals basis. All fees incurred during the year have been taken to the profit and loss account for the year.

(7) Basis of consolidation

Intercompany transactions are eliminated on consolidation.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(8) Turnover

Turnover comprises the value of properties sold, excluding value added tax, during the period.

2 TRUE AND FAIR VIEW

In accordance with Statement of Standard Accounting Practice Number 19, (i) investment properties are valued annually and the aggregate surplus or deficit is transferred to a revaluation reserve and (ii) no depreciation or amortisation is provided in respect of freehold investment properties and ~~leased~~ investment properties with over twenty years of the lease to run. The treatment adopted under (ii) is a departure from the requirement of the Companies Act 1985 which requires that depreciation is charged to write off the value of the investment properties, less any estimated residual value, systematically over the period of the asset's useful economic life. The directors consider that the accounting policy adopted is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation and the amount which might otherwise have been shown cannot separately be identified or quantified.

3 DIRECTORS' EMOLUMENTS

None of the directors received any emoluments in respect of their services to the company during the year (1992: £Nil).

4 OTHER OPERATING INCOME

	<u>1993</u> £	<u>1992</u> £
Rents receivable	948,020	878,528
Sundry income	<u>1,853</u>	<u>153</u>
	<u>949,873</u>	<u>878,681</u>

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1993</u> £	<u>1992</u> £
Interest and similar charges payable on bank loans wholly repayable within five years	253,571	377,022
Interest on long term loans (Note 14 and 15)	603,897	755,006
Swap and loan facility charges	132,218	-
Interest on overdue tax	<u>115,361</u>	<u>-</u>
	<u>1,105,047</u>	<u>1,132,028</u>

6 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

	<u>1993</u> £	<u>1992</u> £
Depreciation	-	1,630
Auditors' remuneration	8,500	6,000
	<u>-</u>	<u>-</u>

Non-audit fees of £22,000 were paid to the auditors during the year.

7 EXCEPTIONAL ITEMS

The exceptional income of £275,000 represents the reinstatement of a provision previously made to reduce the costs of specific properties held in stock to their net realisable values.

The exceptional loss of £1,700,000 represents a provision made against the carrying value of an investment in a related company, Bailey Homes plc (see Note 10).

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

8 TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	<u>1993</u> £	<u>1992</u> £
Corporation tax on profit for the year at 33% (1992: 33.25%)	-	100,000
Overprovision in previous years	(2,158)	-
Underprovision in previous years	<u>154,639</u>	<u>-</u>
	<u>152,481</u>	<u>100,000</u>

No provision was made for deferred tax during the year and there is no potential deferred tax liability at 30 April 1993 (1992: £Nil).

9 TANGIBLE FIXED ASSETS

Group

	<u>Freehold property</u> £	<u>Long leasehold property</u> £	<u>Total</u> £
COST OR VALUATION			
At 1 May 1992	5,170,714	2,923,287	8,094,001
Additions	14,954,329	-	14,954,329
Disposals	<u>-</u>	<u>(25,242)</u>	<u>(25,242)</u>
At 30 April 1993	<u>20,125,043</u>	<u>2,898,045</u>	<u>23,023,088</u>
DEPRECIATION			
At 1 May 1992	-	1,630	1,630
Disposals	<u>-</u>	<u>(1,630)</u>	<u>(1,630)</u>
At 30 April 1993	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK AMOUNT			
At 30 April 1993	<u>20,125,043</u>	<u>2,898,045</u>	<u>23,023,088</u>
At 30 April 1992	<u>5,170,714</u>	<u>2,921,657</u>	<u>8,092,371</u>

All properties are stated at the estimated open market valuation made by the directors. The aggregate historic cost of tangible fixed assets is £21,398,048 (1992 - £6,460,191).

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

9 TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Long Leasehold property £	Total £
COST OR VALUATION			
At 1 May 1992	5,170,714	2,923,287	8,094,001
Disposals	-	(25,242)	(25,242)
At 30 April 1993	<u>5,170,714</u>	<u>2,898,045</u>	<u>8,068,759</u>
DEPRECIATION			
At 1 May 1992	-	1,630	1,630
Disposals	-	(1,630)	(1,630)
At 30 April 1993	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK AMOUNT			
At 30 April 1993	<u>5,170,714</u>	<u>2,898,045</u>	<u>8,068,759</u>
At 30 April 1992	<u>5,170,714</u>	<u>2,921,657</u>	<u>8,092,371</u>

All properties are stated at the estimated open market valuation made by the directors. The aggregate historic cost of tangible fixed assets is £6,443,719 (1992 - £6,460,191).

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

10 INVESTMENTS

	<u>1993</u> £	<u>Group</u> <u>1992</u> £	<u>1993</u> £	<u>Company</u> <u>1992</u> £
Shares in group undertakings (note 20)	2	-	104	100
Shares in related company	-	200,000	-	200,000
Joint venture company	1	1	1	1
Other	<u>3,450</u>	<u>3,450</u>	<u>3,450</u>	<u>3,450</u>
	<u>3,453</u>	<u>203,451</u>	<u>3,555</u>	<u>203,551</u>

The investment in a joint-venture company represents a holding of one ordinary share in 2L Limited, a company registered in Wales, which represents a 50% interest in its ordinary share capital. The company did not trade during the year. Its capital and reserves at the end of its latest financial year were a net deficit of £(2,663). 2L Limited has not been consolidated into the group accounts on the grounds of materiality. Its year end is 31 May 1993.

The investment in the related company represents 1,700,000 redeemable preference shares of £1 each in Bailey Homes plc, 1,500,000 of which were acquired by subscription during the year. In the opinion of the directors, these shares currently have negligible value and therefore have been provided against in full.

11 STOCK AND WORK IN PROGRESS

	<u>1993</u> £	<u>Group</u> <u>1992</u> £	<u>1993</u> £	<u>Company</u> <u>1992</u> £
Land and work in progress	<u>2,009,096</u>	<u>1,234,747</u>	<u>1,660,190</u>	<u>797,897</u>

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

12 DEBTORS

	<u>1993</u>	<u>Group</u> <u>1992</u>	<u>1993</u>	<u>Company</u> <u>1992</u>
	£	£	£	£
Trade debtors	37,950	22,471	20,760	22,471
Other debtors	24,573	17,078	24,573	-
Amounts owed by related companies	<u>966,680</u>	<u>1,557,968</u>	<u>966,680</u>	<u>1,557,968</u>
	<u>1,029,203</u>	<u>1,597,517</u>	<u>1,012,013</u>	<u>1,580,439</u>

13 CREDITORS - Amounts falling due within one year

	<u>1993</u>	<u>Group</u> <u>1992</u>	<u>1993</u>	<u>Company</u> <u>1992</u>
	£	£	£	£
Bank loans and overdrafts (Note 15)	2,210,014	2,206,385	949,649	874,347
Trade creditors	27,229	18,350	23,448	12,257
Amounts owed to group undertakings	2	-	410,328	193,629
Other creditors	3,450,198	214,384	421,140	404,538
Taxation and social security	482,250	330,911	482,250	330,911
Accruals and deferred income	<u>706,083</u>	<u>228,333</u>	<u>251,085</u>	<u>205,398</u>
	<u>6,875,776</u>	<u>2,998,363</u>	<u>2,537,900</u>	<u>2,021,080</u>

Bank loans and overdrafts include an amount of £563,693 which has been borrowed on behalf of a related company, Bailey Homes plc. A corresponding debtor amount is included in amounts owed by related companies. The loan is secured on assets owned by Bailey Homes plc on which the company can call if it is required to repay the loan.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

14 CREDITORS - Amounts falling due after more than one year

	<u>1993</u>	<u>Group</u>	<u>1993</u>	<u>Company</u>
	<u>£</u>	<u>1992</u>	<u>£</u>	<u>1992</u>
		<u>£</u>		<u>£</u>
Bank loans and overdrafts (Note 15)	14,507,202	5,005,250	5,525,580	5,005,250
Other loans	<u>3,175,000</u>	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>
	<u>17,682,202</u>	<u>5,480,250</u>	<u>6,000,580</u>	<u>5,480,250</u>

Other loans of £2,700,000 have been received from G S Thomas during the year. The full amount is repayable after more than five years. The loan is secured by a second legal charge over certain of the group's freehold properties together with a fixed and floating charge over certain of its other assets. Interest is charged on the loan via a swap transaction at a fixed rate of 13.23%.

15 BANK LOANS AND OVERDRAFTS

Bank loans and overdrafts totalling £16,153,523 are secured by fixed charges over certain of the group's properties and stock holdings. Of that amount the following balances are repayable wholly or in part more than five years from the balance sheet date:

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Wholly repayable more than five years from the balance sheet date (note (2) below)	197,816	581,960
Repayable in part more than five years from the balance sheet date (note (1) below)	<u>13,500,000</u>	<u>-</u>

Of the amount payable by instalments £8,535,822 is repayable after more than five years (1992: £Nil).

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

15 BANK LOANS AND OVERDRAFTS (CONTINUED)

- (1) An amount totalling £9,300,000 is repayable by 36 consecutive quarterly instalments commencing on 14 July 1993. The group has entered into swap transactions to modify the interest rate profile of certain of its borrowings and to reduce its exposure to interest rate fluctuations. The effective interest rates for these borrowings are as follows:

<u>Borrowing</u>	<u>Effective rate</u>
£800,000	LIBOR plus 2.25%
£2,500,000	LIBOR plus 2.25% (to a maximum of 9.25%)
£5,000,000	Fixed at 9.59%
<u>£1,000,000</u>	Fixed at 9.36%
£9,300,000	

Amounts totalling £4,200,000 are repayable by 20 consecutive half yearly payments commencing on 31 July 1993. The effective interest rate for these borrowings is 9.89%.

- (2) An amount of £197,816 is repayable on or before January 2015. The effective interest rate on this amount is bank base rate plus 2%.

16 CALLED UP SHARE CAPITAL

	<u>1993</u>	<u>1992</u>
	£	£
Authorised		
'A' ordinary shares of £1 each	100,000	-
'B' ordinary shares of £1 each	100,000	100,000
Redeemable ordinary shares of £1 each	200,000	-
Redeemable preference shares of £1 each	<u>500,000</u>	<u>-</u>
	900,000	100,000

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

16 CALLED UP SHARE CAPITAL (CONTINUED)

	<u>1993</u>	<u>1992</u>
	£	£
Issued and fully paid		
'A' ordinary shares of £1 each	100,000	-
'B' ordinary shares of £1 each	100,000	100,000
Redeemable ordinary shares of £1 each	200,000	-
Redeemable preference shares of £1 each	<u>500,000</u>	<u>-</u>
	900,000	100,000
	<u>900,000</u>	<u>100,000</u>

During the year 100,000 'A' ordinary shares, 200,000 redeemable ordinary shares and 500,000 preference shares with nominal values of £100,000, £200,000 and £500,000 respectively were issued at par for cash consideration. The issue was made in order to provide additional working capital for the company.

Under an option agreement P E Bailey and P M Guy may purchase any number of redeemable ordinary shares subject to their combined holding of classes of all ordinary shares representing not more than fifty per cent of the company's issued ordinary share capital. This option expires on 31 December 1997 and is subject to certain other conditions having been fulfilled.

The redeemable preference and ordinary shares are redeemable at any time at the option of the company. No premium is payable on redemption.

17 REVALUATION RESERVE

The movement on the reserve during the year was as follows:

	Group and <u>company</u> £
Balance at 1 May 1992	1,632,180
Released on disposal	<u>(7,140)</u>
Balance at 30 April 1993	<u>1,625,040</u>

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

18 CONTINGENT LIABILITIES

The company acts as guarantor for the overdraft facility of Bailey Properties Limited, a wholly owned subsidiary. At the year end the amount outstanding drawn under this facility was £941,987 (1992 - £977,027).

19 PARENT COMPANY PROFIT AND LOSS ACCOUNT

Thomas Bailey Investments plc has not presented its own profit and loss account as permitted by section 230(1) of the Companies Act 1985. The parent company's profit and loss account was approved by the board on July 1993. The amount of the parent company's loss for the financial year is £1,744,064 (1992: profit - £833,035).

20 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The following companies, registered in Wales and operating in the UK are wholly owned subsidiaries of Thomas Bailey Investments plc.

Bailey Properties Limited
TBI (South Wales) Limited
TBI (Tredegar) Limited

TBI (Tredegar) Limited has not been included in the consolidation on the grounds of materiality

In all cases the company holds 100% of the subsidiaries' ordinary share capital.

All of the subsidiaries are engaged in property development and investment.

The accounts of all the subsidiaries are made up to 30 April 1993. The accounting period of TBI (South Wales) Limited runs from 16 September 1992, the date on which it was incorporated.

21 ACQUISITIONS OF SUBSIDIARIES

TBI (South Wales) Limited and TBI (Tredegar) Limited were acquired during the year. The results of TBI (South Wales) Limited have been brought into the accounts from 19 March 1993. The companies were acquired for a consideration of £2 each representing the value of their net assets at the time of acquisition.

THOMAS BAILEY INVESTMENTS PLC
(Formerly Bailey Investments plc)

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1993 (CONTINUED)

22 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	<u>1993</u> £	<u>1992</u> £
Operating profit	1,007,105	1,894,292
Depreciation	-	1,630
Loss/(profit) on sales of fixed assets/investments	7,472	(1,243,017)
Exceptional item	(275,000)	77,000
(Increase)/decrease in stock	(499,349)	1,353,129
Increase in debtors	(3,379)	(1,479,272)
Increase/(decrease) in creditors	<u>1,271,479</u>	<u>(1,703,449)</u>
Net cash inflow/(outflow) from operating activities	<u>1,508,328</u>	<u>(1,099,687)</u>

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

	<u>1993</u> £	<u>1992</u> £	Net cash flows £
Bank overdrafts	(941,987)	(993,406)	51,419
Bank deposit	<u>248,778</u>	<u>221,325</u>	<u>27,453</u>
	<u>(693,209)</u>	<u>(772,081)</u>	<u>78,872</u>

24 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	<u>1993</u> £	<u>1992</u> £	Change £
Share capital	900,000	100,000	800,000
Loans	<u>18,386,536</u>	<u>6,338,218</u>	<u>12,048,318</u>
	<u>19,286,536</u>	<u>6,438,218</u>	<u>12,848,318</u>