

**GOLDCREST HOMES PLC
FINANCIAL STATEMENTS
for the eighteen months ended 31 March 1997
together with directors' and auditors' reports**

Company Number 1660121



DIRECTORS

M Collins (Chairman and Managing Director)
J Cloughessy (Non-Executive Deputy Chairman)
T L Carvall (Deputy Managing Director)
D J Hodgson (Marketing Director)
M D Sierens M.BID ARCH TECH
Dr K Mourad FRCR (Non-Executive)
Miss O M Collins (Non-Executive)
Miss S A Collins (Non-Executive)

SECRETARY

M Collins

REGISTERED OFFICE

Goldcrest House
20 Hurlingham Business Park
Sullivan Road
London SW6 3DU

AUDITORS

Binder Hamlyn
20 Old Bailey
London
EC4M 7BH

BANKERS

Barclays Bank Plc
P O Box 90
357 Strand
London WC2R ONX

SOLICITORS

Talfourds
Scottish Mutual House
27-29 North Street
Hornchurch
Essex RM11 1RT

Dear Shareholder,

Your Directors are pleased to report a profit before tax of £1,502,000.

DIVIDEND

The Company paid a first interim dividend of £0.80 per share on 4 October 1995, a second interim dividend of £0.3992 per share on 6 January 1996 and a third interim dividend of £0.54 per share on 10 April 1995. No final dividend is proposed for the year.

PROPERTY REVIEW

London property continues to enjoy a strong demand from both UK and overseas purchasers leading to significant increases in values.

This augurs well for our current developments but applies added pressures to the purchase of new sites. Notwithstanding this new sites have been identified in our niche area of operation for profitable acquisition.

Current market trends are expected to continue through the next year.

BOARD OF DIRECTORS

D J Hodgson was appointed to the Board on 6 May 1997. There have been no other Board changes.

PROSPECTS

The gross profit margin has remained substantially above the industry average at 40.26% (1995 – 43.6%).

During the period a major fire occurred at our largest development. Whilst this caused many short term problems the Group quickly overcame these and is confident of significant profit growth next year.

VENTURE CAPITAL

On 4 June 1997 the Company entered into an agreement with British Smaller Companies VCT plc. This provided an advance of £500,000 for an expected period of 5 years. The Board is confident that this will enhance the profit growth over this period.

CHAIRMAN'S TRIBUTES

I should like to take this opportunity to thank management and employees throughout the Group for their hard work and dedication during the period.



Michael Collins
Chairman

17 June 1997

FINANCIAL STATEMENTS

The directors present their report and Group financial statements for the eighteen months ended 31 March 1997.

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 and the Group and of the profit or loss of the Group 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, subject to any material departures disclosed and explained in the financial statements; and
- 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.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Group's principal activities for the period under review were that of residential housebuilding and property development.

A summary of the results of the period's trading is shown on page 5 of the financial statements. A review of the Group's business is included within the Chairman's statement.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £984,000.

The directors recommend that the profit for the period be dealt with as follows:

	£000
Ordinary dividends	
- First interim paid of £0.80 (1995: £0.6636) per share	119
- Second interim paid of £0.3992 (1995: £0.3992) per share	59
- Third interim paid of £0.54 (1995: £0.40) per share	80
Transfer to reserves	726
	984

GOLDCREST HOMES PLC
DIRECTORS' REPORT
for the eighteen months ended 31 March 1997

FUTURE DEVELOPMENTS

The directors intend to continue the management policies of acquiring suitable sites for residential and commercial developments.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the period and their beneficial interests in the issued share capital at the beginning and end of the period were as follows:

	£1 Ordinary shares	
	Fully Paid	
	1997	1995
M Collins	125,257	125,257
J Cloughessy	NIL	NIL
M Sierens	5,544	5,544
Dr K Mourad FRCR	1,624	1,624
Miss O M Collins	1,624	1,624
Miss S A Collins	1,624	1,624
T Carvall	NIL	NIL

Dr K Mourad and Miss S A Collins retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

CHARITABLE DONATIONS

During the period the Group contributed £725 (1995: £850) to charitable organisations. The Group made no political donations.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

By Order of the Board


M Collins
Director

17 June 1997

BINDER HAMLYN

AUDITORS' REPORT to the shareholders of GOLDCREST HOMES PLC

We have audited the financial statements on pages 5 to 22 which have been prepared under the historical cost convention as modified for the revaluation of certain assets and the accounting policies set out on pages 9 and 10.

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 financial statements and to report our opinion to you.

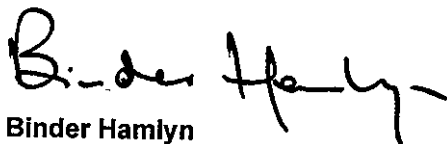
Basis of opinion

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 and of the Group, 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 of the Group as at 31 March 1997 and of the Group's profit and cashflows for the eighteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Binder Hamlyn
Chartered Accountants and
Registered Auditors**

17 June 1997

20 Old Bailey
London EC4M 7BH

GOLDCREST HOMES PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the eighteen months ended 31 March 1997

	Notes	1997 £000	1995 £000
Turnover	1	9,758	5,880
Cost of sales		(5,829)	(3,317)
Gross profit		3,929	2,563
Administrative expenses		(1,223)	(690)
Other operating expenses		(899)	(627)
Other operating income		50	4
Operating profit	2	1,857	1,250
Interest receivable and similar income		83	39
Interest payable and similar charges	5	(438)	(164)
Profit on ordinary activities before taxation		1,502	1,125
Tax on profit on ordinary activities	6	(518)	(415)
Profit on ordinary activities after taxation		984	710
Dividends	7	(258)	(217)
Retained profit for the period	20	726	493
Earnings per share	8	£6.63	£4.78

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities and the retained profit for the period stated above, and their historical cost equivalents.

The results for both periods derive from the continuing activities of the Group.

The accompanying notes are an integral part of this consolidated profit and loss account.

GOLDCREST HOMES PLC
CONSOLIDATED BALANCE SHEET
as at 31 March 1997

	Notes	1997	1995
		£000	£000
FIXED ASSETS			
Tangible assets	9	261	454
		261	454
CURRENT ASSETS			
Stocks	11	2,375	2,087
Debtors	12	5,475	1,678
Cash at bank and in hand		448	918
		8,298	4,683
CREDITORS: amounts falling due within one year	13	(5,844)	(3,135)
Net current assets		2,454	1,548
Total assets less current liabilities		2,715	2,002
CREDITORS: amounts falling due after more than one year	14	(257)	(270)
Net assets		2,458	1,732
CAPITAL AND RESERVES			
Called up share capital	18	148	148
Share premium account	20	320	320
Profit and loss account	20	1,990	1,264
Shareholders' funds - all equity	21	2,458	1,732

The accompanying notes are an integral part of this consolidated balance sheet.

GOLDCREST HOMES PLC
BALANCE SHEET
as at 31 March 1997

	Notes	1997	1995
		£000	£000
FIXED ASSETS			
Tangible assets	9	255	440
Investments	10	-	-
		255	440
CURRENT ASSETS			
Stocks	11	2,139	1,064
Debtors	12	6,780	4,996
Cash at bank and in hand		6	854
		8,925	6,914
CREDITORS: amounts falling due within one year	13	(7,415)	(5,577)
Net current assets		1,510	1,337
Total assets less current liabilities		1,765	1,777
CREDITORS: amounts falling due after more than one year	14	(257)	(270)
Net assets		1,508	1,507
CAPITAL AND RESERVES			
Called up share capital	18	148	148
Share premium account	20	320	320
Profit and loss account	20	1,040	1,039
Shareholders' funds - all equity		1,508	1,507

The financial statements on pages 5 to 21 were approved by the Board on 17 June 1997.

M Collins 
Chairman and Managing Director

The accompanying notes are an integral part of this balance sheet.

GOLDCREST HOMES PLC
CASH FLOW STATEMENT
for the eighteen months ended 31 March 1997

	Notes	1997 £000	1995 £000
Net Cash outflow from operating activities	24	(1,373)	(831)
Returns on investments & servicing of finance	25	(623)	(342)
Taxation		(195)	(438)
Capital expenditure and financial investment	26	1	(27)
Cash (outflow)/inflow before management of liquid resources		<u>(2,190)</u>	<u>24</u>
Financing	27	1,727	(228)
Decrease in cash in the year		<u>(463)</u>	<u>(204)</u>

1. ACCOUNTING POLICIES

A summary of the principal accounting policies all of which have been applied consistently throughout the period and the preceding year is set out below.

Accounting period

The accounting period is for the eighteen months ended 31 March 1997. The comparative figures are for the year ended 30 September 1995.

Basis of accounting

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

Basis of Consolidation

The Group financial statements consolidate the financial statements of Goldcrest Homes Plc and all its subsidiary undertakings. No profit and loss account for Goldcrest Homes Plc has been presented as permitted by Section 230 of the Companies Act 1985.

Turnover

Turnover comprises amounts receivable for properties sold and services provided excluding value added tax.

Profit recognition

Properties are treated as sold and profits are recognised when contracts are exchanged and the building work is substantially complete. Substantially complete is defined as being plastered and with the floor screed completed.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:-

Freehold buildings - over 50 years
Long leasehold premises - over 50 years
Fixtures, fittings and equipment - over 5 years
Computer equipment - over 4 years
Motor vehicles - over 4 years.

Leasing and hire purchase

Assets obtained under finance leases and hire purchase contracts which result in the transfer of substantially all the risks and rewards of ownership are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes cost of acquisition plus all attributable direct expenditure but excludes interest.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

No provision for deferred taxation is made unless there is a reasonable probability that a liability will arise in the foreseeable future.

Advance corporation tax payable on dividends paid or proposed for in the period is written off, except when recoverable against corporation tax payable is considered to be reasonably assured. Credit is taken for advance corporation tax written off in previous years when it is recovered against corporation tax liabilities.

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:	1997 £000	1995 £000
Depreciation: owned fixed assets	22	21
Depreciation: assets under finance leases	33	14
Operating lease rentals	54	29
Directors' emoluments:		
Fees	4	3
Remuneration	79	44

3. AUDITORS' REMUNERATION

Amounts payable to the auditors of all Group undertakings in respect of audit services were £15,500 (1995: £13,000).

Amounts payable to auditors by the company and its subsidiary undertakings in respect of non-audit services were £5,400 (1995: £2,000).

4. EMPLOYEES

Number of employees

The average weekly number of persons (including directors) employed by the company during the year was:

	1997 £000	1995 £000
Office and management	15	14
Sales	3	3
	18	17

Employment costs

	1997 £000	1995 £000
Wages and salaries	451	286
Social security costs	57	37
	508	323

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

5. INTEREST PAYABLE

	1997	1995
	£000	£000
On loans and overdrafts repayable:		
Within five years not by instalments	416	149
Other interest payable	22	15
	438	164

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1995
	£000	£000
Corporation Tax at 33% (1995: 33%)	518	415

7. DIVIDENDS

	1997	1995
	£000	£000
Ordinary shares:		
- First interim paid of £0.80 (1995: £0.6636) per share	119	98
- Second interim paid of £0.3992 (1995: £0.3992) per share	59	59
- Third interim paid of £0.54 (1995: 0.40) per share	80	60
	258	217

8. EARNINGS PER SHARE

Earnings per share has been calculated by dividing the attributable profit of £984,431 (1995: £710,206) by 148,413 being the number of ordinary shares in issue throughout the period.

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

9. TANGIBLE FIXED ASSETS

Group Summary	FREEHOLD LAND & BUILDINGS	LONG LEASEHOLD PREMISES	FIXTURES FITTINGS & EQUIPMENT	COMPUTER EQUIPMENT	MOTOR VEHICLES	TOTAL
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 30 September 1995	200	200	29	53	67	549
Additions	-	-	6	13	53	72
Disposals	-	(200)	-	-	(67)	(267)
At 31 March 1997	200	-	35	66	53	354
Depreciation						
At 30 September 1995	4	8	22	28	33	95
Charge for the period	3	6	5	17	24	55
Disposals	-	(14)	-	-	(43)	(57)
At 31 March 1997	7	-	27	45	14	93
Net book value						
Owned assets	193	-	8	17	-	218
Leased assets	-	-	-	4	39	43
At 31 March 1997	193	-	8	21	39	261
Owned assets	196	-	7	15	7	225
Leased assets	-	192	-	10	27	229
At 30 September 1995	196	192	7	25	34	454
Analysis of cost or valuation						
1997 valuation	200	-	-	-	-	200
Cost	-	-	35	66	53	154
At 31 March 1997	200	-	35	66	53	354

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

9. TANGIBLE FIXED ASSETS *(continued)*

Company Summary	FREEHOLD LAND & BUILDINGS £000	LONG LEASEHOLD PREMISES £000	FIXTURES FITTINGS & EQUIPMENT £000	COMPUTER EQUIPMENT £000	MOTOR VEHICLES £000	TOTAL £000
Cost or valuation						
At 30 September 1995	200	200	18	38	43	499
Additions	-	-	2	14	53	69
Disposals	-	(200)	-	-	(43)	(243)
At 31 March 1997	200	-	20	52	53	325
Depreciation						
At 30 September 1995	4	8	15	16	16	59
Charge for the year	3	6	2	16	20	47
Disposals	-	(14)	-	-	(22)	(36)
At 31 March 1997	7	-	17	32	14	70
Net book value						
Owned assets	193	-	3	16	-	212
Leased assets	-	-	-	4	39	43
At 31 March 1997	193	-	3	20	39	255
Owned assets	196	-	3	12	-	211
Leased assets	-	192	-	10	27	229
At 30 September 1995	196	192	3	22	27	440
Analysis of cost or valuation						
1997 valuation	200	-	-	-	-	200
Cost	-	-	20	52	53	125
At 31 March 1997	200	-	20	52	53	325

The freehold buildings have been valued by the directors on the basis of open market value for existing use. The original cost of freehold land and buildings was £170,000. The element of original cost relating to land is estimated at £100,000.

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

10. FIXED ASSET INVESTMENT

Investment in subsidiary undertakings

	1997 £000	1995 £000
Shares at cost	250	250
Diminution in value	(250)	(250)
Net book value	-	-

The principal subsidiaries are:

	Percentage Holding	Issued Ordinary Share Capital
Goldcrest Homes (London) Limited	100	£100
Goldcrest Homes (Construction) Limited (i)	100	£ 2

- (i) Wholly owned subsidiary of Goldcrest Homes (London) Limited
(ii) Both the above companies are incorporated in England and Wales and operate in the United Kingdom. Both companies are involved in housebuilding and property development.

11. STOCKS

11.	STOCKS	Group		Company	
		1997 £000	1995 £000	1997 £000	1995 £000
	Stock - Land and finished units	1,891	1,636	1,890	1,043
	Work in progress	484	451	249	21
		2,375	2,087	2,139	1,064

There is no material difference between the balance sheet value of stocks and their replacement costs.

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

12. DEBTORS: amounts falling due within one year.

	Group		Company	
	1997	1995	1997	1995
	£000	£000	£000	£000
Trade debtors	4,950	1,395	1,450	676
Amounts owed by Group undertakings	-	-	4,859	4,273
ACT recoverable	68	-	68	-
Other debtors	413	258	359	23
Prepayments	44	25	44	24
	5,475	1,678	6,780	4,996

13. CREDITORS: amounts falling due within one year

	Group		Company	
	1997	1995	1997	1995
	£000	£000	£000	£000
Obligations under finance leases	12	19	12	19
Bank loans	3,390	1,624	1,563	862
Bank overdrafts	8	15	4	-
Trade creditors	545	368	65	191
Sub-contractors	600	216	-	-
Amounts owed to Group undertakings	-	-	5,352	4,253
Corporation tax	796	405	85	102
Other taxes and social security costs	38	122	19	122
Other creditors	155	249	145	-
Accruals	300	117	170	28
	5,844	3,135	7,415	5,577

14. CREDITORS: amounts falling due after more than one year

	Group		Company	
	1997	1995	1997	1995
	£000	£000	£000	£000
Obligations under finance leases	25	18	25	18
Other loans	232	252	232	252
	257	270	257	270

Bank loans and overdrafts and other loans are secured by a Legal Charge on the Group's stock of land for development, freehold and long leasehold properties and a floating charge on all other assets.

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

15. LOANS

	Group		Company	
	1997	1995	1997	1995
	£000	£000	£000	£000
<i>Bank loans</i>				
Wholly repayable within one year	3,390	1,624	1,563	862
	3,390	1,624	1,563	862
<i>Aggregate amounts repayable</i>				
Within one year	3,390	1,624	1,563	862
	3,390	1,624	1,563	862
<i>Other loans</i>				
Wholly repayable within five years	-	-	-	-
Not wholly repayable within five years:				
repayable by instalments				
- due in more than five years	232	252	232	252
	232	252	232	252
<i>Aggregate amounts repayable:</i>				
Within one year	19	33	19	33
Between one and two years	19	33	19	33
Between two and five years	58	99	58	99
In five years or more	136	87	136	87
	232	252	232	252

Security

There is a fixed charge over the fixed assets of the companies which relates to the overdrafts and loans of the group.

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

16. OBLIGATIONS UNDER FINANCE LEASES

	Group		Company	
	1997	1995	1997	1995
	£000	£000	£000	£000
Obligations under finance lease contracts:				
Amounts payable:				
Within one year	12	19	12	19
Between one and two years	12	12	12	12
Between two and five years	13	6	13	6
	37	37	37	37

17. OBLIGATIONS UNDER OPERATING LEASES

	Group		Company	
	1997	1995	1997	1995
	£000	£000	£000	£000
Obligations under operating lease contracts:				
Amounts payable :				
Within one year	31	14	31	14
Between one and two years	28	8	28	8
Between two and five years	13	-	13	-
	72	22	72	22

18. CALLED UP EQUITY SHARE CAPITAL

	1997	1995
	£	£
Authorised		
1,000,000 (1995: 1,000,000) £1 Ordinary shares	1,000,000	1,000,000
Allotted and fully paid		
148,413 (1995: 148,413) £1 Ordinary shares	148,413	148,413

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

19. SHARE OPTIONS

Options have been granted under the Approved Executive Share Option Scheme and an Unapproved Executive Share Option Scheme to subscribe for Ordinary Shares of Goldcrest Homes Plc as follows:-

<u>Scheme</u>	<u>No of Options</u>	<u>Subscription Price per Share</u>	<u>Exercise Period</u>
Approved scheme	4,998	£18	Not earlier than 3 or later than 10 years after grant of option, subject to the pre-tax profit for the year ended 31 March preceding the date of exercise exceeding £3,000,000.
Unapproved scheme	9,842	£18	On or after the third anniversary of the date of grant of option.

20. RESERVES

Group	Share Premium Account £000	Profit and Loss Account £000
At 30 September 1995	320	1,264
Retained profit for the period	-	726
At 31 March 1997	320	1,990

Company	Share Premium Account £000	Profit and Loss Account £000
At 30 September 1995	320	1,039
Retained profit for the period	-	1
At 31 March 1997	320	1,040

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

**21. RECONCILIATION OF MOVEMENTS IN
GROUP SHAREHOLDERS' FUNDS**

	1997 £000	1995 £000
Profit for the financial period	984	710
Dividends paid on equity shares	(258)	(217)
Net addition to shareholders' funds	726	493
Opening shareholders' funds	1,732	1,239
Closing shareholders' funds	2,458	1,732

22. RELATED PARTY TRANSACTIONS

Mr Michael Sierens, a director of the Company is a practising architect under the name of MD Sierens Building and Design Services and also a director/shareholder of Michael Sierens Associates Limited; both these companies act as the Group's principal architects and planning consultants to the Group and as such receive fees for their services. The total paid during the period was £158,543 and £NIL was outstanding at the end of the financial period.

Dr Mourad, a director of the Company, purchased at open market value 5 Shepherd Street from the company for £200,000. At the end of the financial period this amount was owing by Dr Mourad and shown under other debtors.

23. CONTINGENT LIABILITIES

Guarantees have been given by the Parent Company in the ordinary course of business in respect of loans and overdrafts granted to subsidiaries amounting to £2,436,500 at 31 March 1997 (30 September 1995: £764,082).

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

24. Reconciliation of Operating Profit to Net Cash Outflow from Operating activities

	1997 £000	1995 £000
Operating Profit	1,857	1,250
Depreciation	55	35
Increase in stock	(288)	(277)
Increase in debtors	(3,519)	(129)
Increase in creditors	566	(44)
Profit on sale of Fixed Assets	(44)	(4)
Net cash outflow from operating activities	<u>(1,373)</u>	<u>(831)</u>

25. Returns on investments & servicing of finance

Interest Received	73	39
Interest Paid	(426)	(161)
Finance Lease Interest Paid	(12)	(3)
Dividends Paid	(258)	(217)
	<u>(623)</u>	<u>(342)</u>

26. Capital expenditure and financial investment

Purchase of tangible fixed assets	(4)	(31)
Sale of tangible fixed assets	5	4
	<u>1</u>	<u>(27)</u>

27. Finance

Debt due within a year		
Increase in short term borrowings	1,746	(217)
Capital element of finance lease rental payments	(19)	(11)
	<u>1,727</u>	<u>(228)</u>

GOLDCREST HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS

28. Reconciliation of net cash flow to movement in net debt

Decrease in cash in the period	(463)
Cash inflow from increase in debt and lease financing	(1,727)
Change in net debt resulting from cashflows	(2,190)
New finance leases	(19)
Movement in net debt in period	(2,209)
Net debt at 1 October 1995	(1,010)
Net debt at 31 March 1997	(3,219)

29. Analysis of net debt

	Movements		
	<u>1.10.95</u>	<u>Cashflow</u>	<u>NonCash</u>
Cash at bank and in hand	918	(470)	-
Overdrafts	(15)	7	-
	903	(463)	-
Debt due after 1 year	(252)	-	20
Debt due within 1 year	(1624)	(1746)	(20)
Finance leases	(37)	19	(19)
	(1913)	(1727)	(19)
			(3659)