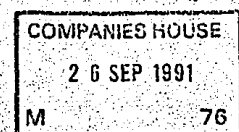


SCHOFIELD CENTRE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 1990

(Registered in England, Number 1871279)



SCHOFIELD CENTRE LIMITED**DIRECTORS' REPORT**

The directors present their annual report and audited accounts for the year ended 31st December 1990.

Business review

The company is principally engaged in developing a prime retail centre in Leeds.

	1990 £	1989 £
Turnover	13,298,000	41,250,000
Profit on ordinary activities before taxation	1,510,694	10,792,968
Taxation	(537,086)	(3,782,540)
Profit on ordinary activities after taxation	973,608	7,010,428

The directors recommend the payment of a dividend of £7,750,000 (1989: £Nil).

Directors and directors' interests

The directors serving during the year were:

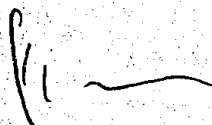
S.F. Pickstock (resigned 1st May 1990)
 A.J. Collins
 S.M. Millington (resigned 1st May 1990)
 R.T.E. Ware
 B.S.P. Dowling
 S.D.H. Cufley (appointed 1st May 1990)

No director had any interest in the shares of the company during the year.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick McLintock as auditors of the company is to be proposed at the forthcoming annual general meeting.

Approved by the Board on 7th March 1991 and signed on its behalf by:

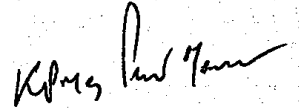

Secretary

REPORT OF THE AUDITORS, KPMG PEAT MARWICK McLINTOCK, TO THE MEMBERS OF
SCHOFIELD CENTRE LIMITED

We have audited the accounts on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1990 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to the fact that the accounts do not include a statement of source and application of funds and thus do not comply with Statement of Standard Accounting Practice No. 10.



Birmingham

Chartered Accountants

7th March 1991

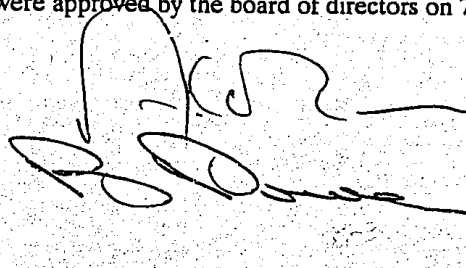
SCHOFIELD CENTRE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 1990

	Note	1990 £	1989 £
Turnover	2	13,298,000	41,250,000
Cost of sales		(11,785,386)	(30,455,417)
Gross profit		<u>1,512,614</u>	<u>10,794,583</u>
Administrative expenses		(1,920)	(1,615)
Profit on ordinary activities before taxation	5	1,510,694	10,792,968
Tax on profit on ordinary activities	6	(537,086)	(3,782,540)
Profit on ordinary activities after taxation		<u>973,608</u>	<u>7,010,428</u>
Proposed dividend		(7,750,000)	--
Retained (loss)/profit for the financial year		<u>(6,776,392)</u>	<u>7,010,428</u>
Retained profit/(loss) brought forward		6,899,111	(111,317)
Retained profit carried forward		<u><u>122,719</u></u>	<u><u>6,899,111</u></u>

SCHOFIELD CENTRE LIMITED**BALANCE SHEET****AT 31st DECEMBER 1990**

	Note	1990 £	1989 £
Current assets			
Stocks	7	257,198	6,013,418
Debtors	8	12,791,986	4,355,289
Cash at bank and in hand		24,282	469,943
		<u>13,073,466</u>	<u>10,838,650</u>
Creditors: amounts falling due within one year	9	(12,950,647)	(3,926,639)
Net current assets		<u>122,819</u>	<u>6,912,011</u>
Provision for liabilities and charges	10	-	(12,800)
Net assets		<u>122,819</u>	<u>6,899,211</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		122,719	6,899,111
		<u>122,819</u>	<u>6,899,211</u>

These accounts were approved by the board of directors on 7th March 1991 and signed on its behalf by:


) Directors

SCHOFIELD CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 1990

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts:

(a) Basis of accounting

The accounts have been prepared under the historical cost convention.

(b) Stocks

Long term contract work in progress is valued at cost, net of amounts transferred to cost of sales, less foreseeable losses and payments on account not matched with turnover.

Costs include interest charges on borrowings which are directly related to specific development projects. Such interest is capitalised from the time it is certain that the development will proceed.

Amounts recoverable on contracts is valued at the amount by which turnover is in excess of payments on account.

(c) Deferred taxation

Deferred taxation arising from the allocation for taxation purposes of income and expenditure to periods different from those used for accounting purposes, is provided at the current corporation tax rate. No provision is made if, in the opinion of the directors, the taxation in question will not become payable in the foreseeable future.

(d) Accounting Standards

The accounts have been prepared in accordance with applicable Accounting Standards, except that they do not include a statement of source and application of funds and thus do not comply with Statement of Standard Accounting Practice No. 10. The directors do not consider that such a statement would provide meaningful information.

2. Turnover

Turnover represents the value of work done on developments which have been sold forward and the sale of completed projects.

SCHOFIELD CENTRE LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1990**

(continued)

3. Interest payable

	1990 £	1989 £
Bank interest	1,345	-
Less: transferred to work in progress/cost of sales	(1,345)	-
	<u>-</u>	<u>-</u>

4. Directors' emoluments

The directors have neither received nor waived any emoluments during the year (1989: £Nil).

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1990 £	1989 £
Auditors' remuneration	<u>1,200</u>	<u>1,200</u>

6. Tax on profit on ordinary activities

Taxation charge based on the profit for the year:

	1990 £	1989 £
Corporation tax at 35%	541,386	3,800,000
Adjustment in respect of prior years		
- corporation tax	8,500	49,840
- transfer from deferred taxation	(12,800)	(67,300)
	<u>537,086</u>	<u>3,782,540</u>

7.

SCHOFIELD CENTRE LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1990**

(continued)

7. Stocks

Stocks comprise:

	1990 £	1989 £
Long term contract balances	257,198	6,013,418

Long term contract work in progress includes interest capitalised of £Nil (1989: £41,492).

8. Debtors

Amounts falling due within one year:

	1990 £	1989 £
Amounts owed by associated undertakings	2,505,217	1,103,695
Other debtors	182,800	278,625
Amounts recoverable on contracts	10,103,969	2,972,969
	<u>12,791,986</u>	<u>4,355,289</u>

Other debtors include consortium relief receivable of £103,459 (1989: £103,459).

9. Creditors: amounts falling due within one year

	1990 £	1989 £
Trade creditors	4,643,762	126,639
Other creditors - corporation tax	556,885	3,800,000
Proposed dividend	7,750,000	-
	<u>12,950,647</u>	<u>3,926,639</u>

SCHOFIELD CENTRE LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1990**

(continued)

10. Provision for liabilities and charges

	Deferred taxation £
Balance at 1st January 1990	12,800
Credit to the profit and loss account	(12,800)
Balance at 31st December 1990	<u> </u>

This represents the full provision for other timing differences.

11. Called up share capital

	1990 £	1989 £
Authorised, allotted, called up and fully paid:		
50 "A" ordinary shares of £1 each	50	50
50 "B" ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

12. Associated undertakings

The company's voting share capital is held equally by Farmcote Developments Limited and Clayform Properties Plc both of which are incorporated in the United Kingdom and registered in England and Wales.