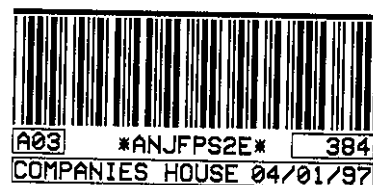


TUSTIN DEVELOPMENTS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1996

Company No: 1894292



KIDSONS IMPEY
CHARTERED ACCOUNTANTS
BLACKBURN

AUDITORS REPORT TO THE DIRECTORS OF TUSTIN DEVELOPMENTS LIMITED

pursuant to Part 1 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the full accounts of Tustin Developments Limited for the year ended 30 April 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the abbreviated accounts have been properly prepared from the full accounts.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part 1 of Schedule 8 to that Act in respect of the year ended 30 April 1996 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

On 11 July 1996 we reported, as auditors of Tustin Developments Limited, to the members on the full accounts prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1996 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 12 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 confirming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

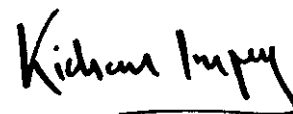
AUDITORS REPORT TO THE DIRECTORS OF TUSTIN DEVELOPMENTS LIMITED

pursuant to Part 1 of Schedule 8 to the Companies Act 1985 - Continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the year ended 30 April 1996 to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts."

A handwritten signature in dark ink, appearing to read 'KIDSONS IMPEY', with a horizontal line underneath the name.

KIDSONS IMPEY
Registered Auditors
Chartered Accountants

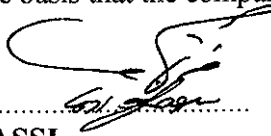
Blackburn
Date: 11 July 1996

TUSTIN DEVELOPMENTS LIMITED
ABBREVIATED BALANCE SHEET AS AT 30 APRIL 1996

			<u>1996</u>		<u>1995</u>
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	2		9,099,445		9,090,576
Investments	3		-		-
			<hr/>	<hr/>	
			9,099,445		9,090,576
CURRENT ASSETS					
Stocks		65,625		65,625	
Debtors		2,036,278		1,986,024	
Cash at bank and in hand		88,409		41,943	
			<hr/>	<hr/>	
			2,190,312		2,093,592
CREDITORS: Amounts falling due within one year	4				
		1,195,948		1,057,579	
			<hr/>	<hr/>	
NET CURRENT ASSETS/(LIABILITIES)			994,364		1,036,013
			<hr/>	<hr/>	
TOTAL ASSETS LESS CURRENT LIABILITIES			10,093,809		10,126,589
			<hr/>	<hr/>	
CREDITORS: Amounts falling due after more than one year	4				
			3,890,443		4,157,104
			<hr/>	<hr/>	
NET ASSETS			6,203,366		5,969,485
			<hr/>	<hr/>	
CAPITAL AND RESERVES					
Called up share capital	5		12,000		12,000
Revaluation reserve			4,738,697		4,738,697
Profit and loss account			1,452,669		1,218,788
			<hr/>	<hr/>	
SHAREHOLDERS' FUNDS			6,203,366		5,969,485
			<hr/>	<hr/>	

The abbreviated financial statements were approved by the Board of Directors on 11 July 1996.

The directors have taken advantage of the exemptions conferred by part 1 of schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.



DIRECTOR - G H GHIASSI

The notes on pages 4 to 6 form part of these financial statements.

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention except for certain investment properties which are stated at revalued amounts.

b) Depreciation

Depreciation is calculated to write off the cost or valuation of all tangible fixed assets, other than freehold land and buildings development licences and investment property which are not depreciated. Buildings are maintained in a state of good repair and it is considered that residual values are such that depreciation is not significant. Consequently these building are not depreciated.

Depreciation is provided in equal annual instalments over the estimated useful life of the asset at the following rates:

Plant and machinery, furniture and fixtures	20%
Office equipment	25%
Light commercial vehicles and cars	20%

Disposal of Freehold Land and Buildings

Profits on disposal of freehold land and buildings represent the difference between the net proceeds and the original cost of the land and buildings.

c) Stock

Stock is stated at the lower of cost, and net realisable value.

d) Deferred Taxation

Deferred taxation is provided, using the liability method, on all timing differences between the profit computed for taxation purposes and the profit stated in the financial statements to the extent that it is probable the liability will crystallise.

e) Group Accounts

The directors have taken advantage of the exemption conferred by section 248 of Companies Act 1985 from the requirements to prepare group accounts.

f) Cash flow statement

The company has taken advantage of the exemptions conferred by FRS1 from the requirement to prepare a cash flow statement on the grounds that the company is a small company.

TUSTIN DEVELOPMENTS LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS - 30 APRIL 1996 - Continued****2. TANGIBLE FIXED ASSETS**

Cost or valuation	Total £
30 April 1995	9,169,229
Additions	12,033
Disposals	(603)
Transfers	17,696
	<hr/>
30 April 1996	9,198,355
	<hr/>
Depreciation	
30 April 1995	78,653
Charge for the year	2,940
Transfers	17,696
Disposals	(379)
	<hr/>
30 April 1996	98,910
	<hr/>
Net book value	
30 April 1996	9,099,445
	<hr/>
30 April 1995	9,090,576
	<hr/>

3. FIXED ASSET INVESTMENT

	<u>Class of share</u>	<u>Proportion of share capital</u>	<u>Principal activity</u>
Tustin Construction Limited	Ordinary	100%	Refurbishment of properties and the construction of properties for sale.

The capital and reserves of Tustin Construction Limited at 30 April 1996 and the loss for the year ended were:

<u>Capital & Reserves</u>	<u>Loss for the Year</u>
£	£
(80,328)	(59,860)
<hr/>	<hr/>

TUSTIN DEVELOPMENTS LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS - 30 APRIL 1996 - Continued**

4. CREDITORS: Amounts falling due after more than one year	£	£
Bank loans repayable within two to five years	1,640,300	1,616,961
Bank loan repayable after more than five years	2,250,143	2,540,143
	<hr/>	<hr/>
	3,890,443	4,157,104
	<hr/>	<hr/>

Included in creditors amounts falling due within one year are bank loans and overdrafts £663,005 (1995: £543,832).

The bank borrowings are secured by legal mortgages over Red Scar Industrial Estate and Empire Skate Building, Church Street, Preston and also a debenture giving a fixed and floating charge over the assets of the company excluding Walker Street Car Park, Preston and Empire Skate Building, Church Street, Preston.

5. CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted Issued and Fully Paid</u>
	£	£
At 30 April 1995 and 1996		
Ordinary shares of £1 each	12,000	12,000
	<hr/>	<hr/>

6. CONTINGENT LIABILITY

The company has given a cross guarantee in favour of its subsidiary Tustin Construction Limited.