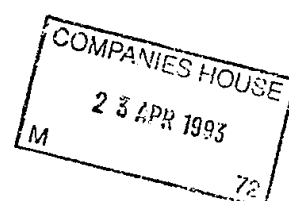


Birch Developments plc

Directors' report and financial statements

30 September 1992

Registered number 01917322



Birch Developments plc

Directors' report and financial statements

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Birch Developments plc

Directors and advisors

Directors	PJ Gadsby M Inst M KGW Litting FCCA ACMA N Hopkin FCA ATII PJ Hanel BSc ARICS (appointed 20 February 1992)
Secretary	KGW Litting FCCA ACMA
Registered office	Cedar House 35 Ashbourne Road Derby DE3 3FQ
Auditors	KPMG Peat Marwick Peat House Stuart Street Derby DE1 2EQ
Bankers	Royal Bank of Scotland plc 41 Cornmarket Derby DE1 2DH

Birch Developments plc

Directors' report

The Directors present their report and audited accounts for the year ended 30 September 1992.

Principal activities and business review

The trade and assets of Birch Developments plc were transferred to Birch plc on 30 September 1991. The company has not traded since that date.

Results and dividend

The profit and loss account for the year is set out on page 5. The Directors do not recommend the payment of a dividend (1991: £16k).

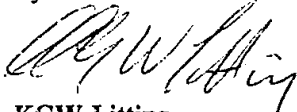
Directors

The Directors and their beneficial interests in the shares of the ultimate parent company at the beginning and end of the year were as follows:

	Ordinary shares of 10p each	
	1992	1991
PJ Gadsby	500,000	500,000
KGW Litting	68,570	68,570
N Hopkin	-	-
PJ Hanel	-	-

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of KPMG Peat Marwick as the Company's auditors will be put to the Annual General Meeting.

By order of the board



KGW Litting
Secretary

Cedar House
35 Ashbourne Road
Derby
DE21 3FS

11 January 1993

Peat House
Stuart Street
Derby
DE1 2EQ

Report of the auditors to the members of Birch Developments plc

We have audited the financial statements on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1992 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick.

*Chartered Accountants
Registered Auditors*

11 January 1993

Birch Developments plc

Statement of accounting policies

The financial accounts on pages 5 to 10 have been prepared under the historic cost convention and in accordance with applicable accounting standards. A summary of the more important accounting policies which have been applied consistently are set out below.

Turnover

Turnover represents the invoiced value of sales and other services provided to third parties exclusive of value added tax.

Taxation

The charge for taxation is based upon the loss for the year and takes into account deferred taxation on timing differences to the extent that a liability is expected to arise in the foreseeable future.

Pension costs

Pension costs are charged to the profit and loss account in the year in which they are incurred.

Birch Developments plc

Profit and loss account for the year ended 30 September 1992

	Notes	1992 £'000	1991 £'000
Turnover	1	-	3,487
Cost of sales		-	(2,997)
Gross profit		-	490
Administrative expenses		-	(421)
Operating profit		-	69
Interest receivable	4	-	10
Interest payable	5	-	(74)
Exceptional item	6	-	(600)
Loss on ordinary activities before taxation	7	-	(595)
Tax on loss on ordinary activities	8	-	(76)
Loss on ordinary activities after taxation		-	(671)
Extraordinary loss after taxation	9	-	(66)
Loss for the financial year		-	(737)
Dividend		-	(16)
Retained loss for the year		-	(753)

A statement of movement on reserves is given in note 13.

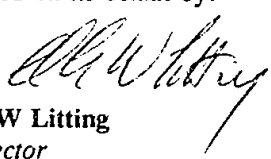
Birch Developments plc

Balance sheet

as at 30 September 1992

	Notes	1992 £'000	1991 £'000
Current assets			
Debtors	10	128	128
		<u>128</u>	<u>128</u>
Capital and reserves			
Share capital	12	72	72
Profit and loss account	13	56	56
		<u>128</u>	<u>128</u>

These financial statements were approved by the board of Directors on 11 January 1993 and signed on its behalf by:


KGW Litting
Director

Birch Developments plc

Notes

(forming part of the financial statements)

1 Turnover

The company did not trade during the year.

The turnover and profit before taxation for the previous year arose entirely in the United Kingdom.

2 Directors and employees

The average number of persons (including Directors) employed by the Company during the year was:

	1992 Number	1991 Number
Management and administration	4	7

The aggregate payroll costs were:

	1992 £'000	1991 £'000
Wages and salaries	-	248
Social Security costs	-	20
Other Pension costs	-	102
	-	370

3 Directors' emoluments

There were no pension contributions paid to the directors in the year (1991: £96k). Excluding pension contributions, the emoluments of the Chairman who was also the highest paid director were £nil (1991: £110k).

The number of Directors (including the Chairman and highest paid Director) who received emoluments in the year (excluding pension contributions) in the following ranges were:

	1992 Number	1991 Number
£0 - £5,000	4	1
£40,001 - £45,000	-	1
£110,001 - £115,000	-	1

4 Interest receivable

	1992 £'000	1991 £'000
Bank deposit account	-	10

Birch Developments plc

Notes (continued)

5 Interest payable

	1992 £'000	1991 £'000
On bank loans and overdrafts and other loans wholly repayable within five years	-	59
Interest payable on hire purchase and finance lease contracts	-	15
	<u>-</u>	<u>74</u>

6 Exceptional item

	1992 £'000	1991 £'000
Loss on sale of stock to parent company	-	600
	<u>-</u>	<u>600</u>

7 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the following:

	1992 £'000	1991 £'000
Loss on sale of fixed asset	-	2
Depreciation of tangible fixed assets	-	46
Auditors' remuneration	-	11
Directors' remuneration	-	152
Operating lease rentals	-	1
	<u>-</u>	<u>202</u>

8 Taxation

The taxation charge is based on the results for the year and comprises:

	1992 £'000	1991 £'000
Corporation tax at 35%	-	(199)
Deferred taxation	-	209
Prior year adjustment	-	66
	<u>-</u>	<u>76</u>

Birch Developments plc

Notes (continued)

9 Extraordinary loss after taxation

	1992 £'000	1991 £'000
Extraordinary loss on disposal of subsidiary	-	66

10 Debtors

	1992 £'000	1991 £'000
Amounts owed by parent and fellow subsidiary undertakings	128	128
	128	128

All amounts included in debtors are due after more than one year.

11 Provisions for liabilities and charges

	1992 £'000	1991 £'000
Deferred taxation		
Balance at 1 October 1991	-	31
Profit and loss account	-	209
Transfer to Birch plc	-	(240)
At 30 September 1992	-	-

12 Called up share capital

	1992 £'000	1991 £'000
<i>Authorised</i>		
Ordinary shares of 10p each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of 10p each	72	72

Birch Developments Limited

Notes (continued)

13 Reserves

	Profit and loss account £'000	Total £'000
At 1 October 1991	56	56
Profit for the year	-	-
	<hr/>	<hr/>
At 30 September 1992	56	56
	<hr/>	<hr/>

14 Pension commitments

The Group operates a defined contribution pension scheme for certain Directors and employees. Details are shown in the accounts of Birch plc.

15 Capital commitments

There was no capital expenditure, authorised or contracted at 30 September 1992 (1991: £Nil).

16 Contingent liabilities

An unlimited cross guarantee exists for all group companies in respect of any overdraft of the group. At 30 September 1992 the group overdraft amounted to £2,702k (1991: £nil).

The company has a contingent liability in respect of a guarantee to a group company (Shannon Court (41) Limited) for £130k.

17 Ultimate parent company

The ultimate parent company is Birch plc a company incorporated in the United Kingdom and registered in England. Copies of that company's accounts can be obtained from the registered office at Cedar House, 35 Ashbourne Road, Derby, DE22 3FS.