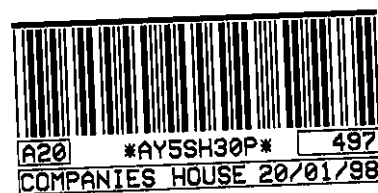


SHANKS & McEWAN (CAMDEN) LIMITED
(Registered Number 2162677)

REPORT AND ACCOUNTS

YEAR ENDED 29 MARCH 1997



SHANKS & McEWAN (CAMDEN) LIMITED

CONTENTS

	Page
DIRECTORS' REPORT	1-2
AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE ACCOUNTS	6 - 10

SHANKS & McEWAN (CAMDEN) LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and financial statements for the year ended 29 March 1997.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE PROSPECTS

The principal activity of the Company is the development of the property and rental to Group undertakings.

TRADING RESULTS AND DIVIDEND

The profit on ordinary activities before taxation for the year ended 29 March 1997 was £877,000. (1996:£1,396,000)

The Directors do not recommended that a dividend be paid in respect of the year ended 29 March 1997. (1996 : £Nil). The profit transferred to reserves for the year was £877,000 (1996 : £1,375,000).

The only transaction entered through the profit and loss account in the year, related to the repayment by Shanks & McEwan Group PLC of the bank overdraft as at 30 March 1996.

DIRECTORS

The Directors who held office during the year were as follows:

M C E Averill
D J Downes
G J Newman (resigned 30/08/96)

DIRECTORS' INTERESTS

None of the Directors had a direct interest in the share capital of the Company.

All Directors were also Directors of Shanks and McEwan Group PLC and their interests in that Company's share capital are disclosed in the Group accounts.

The Directors had no interests in the shares of any other Company in the Group.

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 of the profit or loss of the Company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

SHANKS & McEWAN (CAMDEN) LIMITED

DIRECTORS' REPORT (Continued)

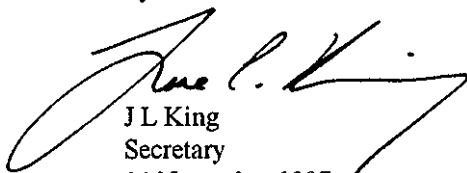
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for keeping 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.

AUDITORS

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed in the Annual General Meeting.

By Order of the Board



J L King
Secretary
14 November 1997

Registered Office:
Woodside House
Church Street
Woburn Sands
Milton Keynes
Buckinghamshire
MK17 8TA

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF
SHANKS & McEWAN (CAMDEN) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

As described on pages 1 and 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 statements and report our opinion to you.

Basis of Opinion

We conducted our audits in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates and judgements made by the directors in preparing the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and prepared 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 company's affairs as at 29 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Chartered Accountants
and Registered Auditors

14 November 1997

SHANKS & McEWAN (CAMDEN) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 29 MARCH 1997

	<u>1997</u> £'000	<u>1996</u> £'000
TURNOVER (Note 1.2 & 2)	-	247
Cost of sales	<u>-</u>	<u>(89)</u>
GROSS PROFIT	-	158
Income from group companies	<u>-</u>	<u>1,412</u>
OPERATING PROFIT	-	1,570
Exceptional item (Note 4)	<u>877</u>	<u>-</u>
PROFIT BEFORE INTEREST	877	1,570
Interest payable (Note 5)	<u>-</u>	<u>(174)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 3)	877	1,396
Taxation (Note 7)	<u>-</u>	<u>(21)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION (Note 12)	<u>877</u>	<u>1,375</u>

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 29 MARCH 1997

The Company has no recognised gains or losses other than the profit for the year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 29 MARCH 1997

There is no material difference between the reported profits for the year and those that would be reported under the historical cost convention.

The notes on pages 6 to 10 form part of these financial statements.

SHANKS & McEWAN (CAMDEN) LIMITED

BALANCE SHEET - 29 MARCH 1997

	<u>1997</u> £'000	<u>1996</u> £'000
FIXED ASSETS		
Tangible assets (Note 8)	-	1,092
CURRENT ASSETS		
Amounts due from parent undertaking	977	-
CREDITORS - Amounts falling due within one year (Note 9)	-	(934)
NET CURRENT ASSETS / (LIABILITIES)	<u>977</u>	<u>(934)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>977</u>	<u>158</u>
PROVISION FOR LIABILITIES AND CHARGES (Note 10)	-	(58)
	<u>977</u>	<u>100</u>
CAPITAL AND RESERVES		
Called up share capital (Note 11)	2,260	2,260
Profit and loss account (Note 12)	(1,283)	(2,160)
	<u>977</u>	<u>100</u>

APPROVED BY THE BOARD ON
14 November 1997



D J Downes
DIRECTOR

The notes on pages 6 to 10 form part of these financial statements.

SHANKS & McEWAN (CAMDEN) LIMITED

NOTES TO THE ACCOUNTS - 29 MARCH 1997

1. ACCOUNTING POLICIES

1) Basis of Preparation

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

2) Turnover

Turnover is the amount invoiced, exclusive of VAT, and relates to one activity, the rental of property to fellow undertakings.

3) Fixed Assets

Land and Buildings

Depreciation is provided on assets other than land in equal instalments over the estimated useful lives of the assets and is calculated on the cost of the assets.

The estimated life is:

Buildings 40 years

4) Deferred Taxation

Provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the financial statements to the extent that the liability will crystallise in the foreseeable future. The timing differences are due primarily to the excess of tax allowances on tangible fixed assets over the corresponding depreciation charge in the accounts.

2. SEGMENT INFORMATION

The turnover and profit on ordinary activities before taxation derive from one principal activity, that of the development of property and rental to Group undertakings in the United Kingdom. All of the company's turnover and operating profit relates to continuing operations.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1997</u>	<u>1996</u>
	<u>£'000</u>	<u>£'000</u>
The profit is stated after charging		
Depreciation of tangible fixed assets	<u>-</u>	<u>89</u>

SHANKS & McEWAN (CAMDEN) LIMITED

NOTES TO THE ACCOUNTS - 29 MARCH 1997 (Continued)

4. EXCEPTIONAL ITEM

This item relates to the repayment of the overdraft outstanding as at 30 March 1996 by Shanks & McEwan Group PLC. This amount has then been recognised as an exceptional profit as no amount is owed to Shanks & McEwan Group PLC by the Company. It is considered that this transaction is exceptional due to size and incidence.

5. NET INTEREST PAYABLE

	<u>1997</u>	<u>1996</u>
	£'000	£'000
Interest payable on loans and bank borrowings repayable within five years	<u>-</u>	<u>174</u>

6. EMOLUMENTS OF DIRECTORS

The salaries of the Directors were paid by other Shanks & McEwan Group undertakings and no remuneration was paid or is payable by Shanks & McEwan (Camden) Limited.

The Directors estimate that no emoluments, paid by other Shanks & McEwan Group undertakings relate to services provided to the Company.

7. TAXATION

Taxation charge based on the profits of the year is made up as follows:

	<u>1997</u>	<u>1996</u>
	£'000	£'000
Corporation tax at 33%	-	18
Deferred tax	<u>-</u>	<u>3</u>
	<u>-</u>	<u>21</u>

SHANKS & McEWAN (CAMDEN) LIMITED

NOTES TO THE ACCOUNTS - 29 MARCH 1997 (Continued)

8. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000
Cost	
At 30 March 1996	3,560
Transferred to parent undertaking	(3,560)
At 29 March 1997	-
Depreciation	
At 30 March 1996	2,468
Transferred to parent undertaking	(2,468)
At 29 March 1997	-
Net Book Value	
At 29 March 1997	-
At 30 March 1996	-

9. CREDITORS: Amounts falling due within one year

	1997 £'000	1996 £'000
Bank overdraft	-	878
Other creditors	-	5
Corporation tax payable	-	51
	-	934

10. PROVISION FOR LIABILITIES AND CHARGES

	£'000
Deferred taxation	
At 30 March 1996	58
Transferred to parent undertaking	(58)
At 30 March 1997	-

The deferred taxation balances and total potential liability for deferred taxation for all timing differences is made up as follows:

	1997		1996	
	Amount provided in the accounts £'000	Potential liability £'000	Amount provided in the accounts £'000	Potential liability £'000
Accelerated capital allowances	-	-	19	19
Other timing differences	-	-	39	39
	-	-	58	58

SHANKS & McEWAN (CAMDEN) LIMITED

NOTES TO THE ACCOUNTS - 29 MARCH 1997 (Continued)

11. CALLED UP SHARE CAPITAL

	<u>1997</u> £'000	<u>1996</u> £'000
Authorised 2,500,000 ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>
Allotted and fully paid 2,260,000 ordinary shares of £1 each	<u>2,260</u>	<u>2,260</u>

12. RESERVES

	<u>Profit and loss</u> £'000
At 29 March 1997	(2,160)
Profit for the year	877
	<hr/>
At 29 March 1997	<u>(1,283)</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £'000	<u>1996</u> £'000
Total recognised gains and losses for the year	877	1,375
Opening shareholders' funds	<u>100</u>	<u>(1,275)</u>
Closing shareholders' funds	<u>977</u>	<u>100</u>

14. RELATED PARTY TRANSACTIONS

In accordance with FRS8, the Company, being a wholly owned subsidiary of another company which prepares a statement of related party transactions including that of this company, has not prepared such a statement itself.

15. CASH FLOW STATEMENT

In accordance with paragraph 8(c) of FRS1, the company, being the wholly owned subsidiary of another company which prepares a cash flow statement including that of this company, has not prepared such a statement itself.

SHANKS & McEWAN (CAMDEN) LIMITED

NOTES TO THE ACCOUNTS - 29 MARCH 1997 (Continued)

16. ULTIMATE PARENT COMPANY

The Company's ultimate parent Company is Shanks & McEwan Group PLC, a Company registered in Scotland. Copies of the group accounts may be obtained from the Company Secretary, Shanks & McEwan Group PLC, Astor House, Station Road, Bourne End, Buckinghamshire, SL8 5YB.

The parent company has undertaken to provide the company with the necessary financial and other support, to any extent required to, to enable the company to meet its future trading obligations.