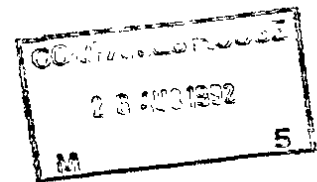
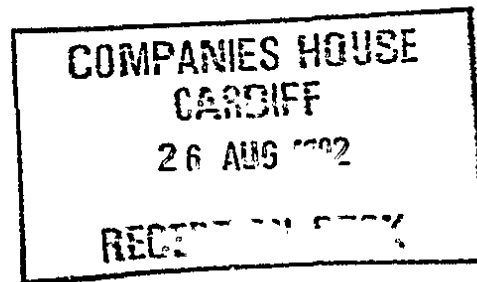


VANSON (CRAWLEY) LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

31 OCTOBER 1991

Registered Number : 2269148



VANSON (CRAWLEY) LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTHS ENDED 31 OCTOBER 1991

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VANSON (CRAWLEY) LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and audited financial statements for the fifteen months ended 31 October 1991.

PRINCIPAL ACTIVITIES

The Company operates as a property developer. The company has changed its accounting reference date to 31st October to be in line with that of its ultimate holding company, Virgin Holdings Limited. Results for the fifteen month period are shown on page 3 of the financial statements.

DIVIDEND

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors during the period were as follows:

A.E. Bland
A.W.G. Viccary
A.F. Walker

1. Mr. A.W.G. Viccary held 1500 ordinary £1 shares in the company's immediate holding company, Vanson Developments Limited, throughout the period. He had no interest in the shares of the ultimate holding company during the period.
2. The remaining directors had no interest in the shares of these companies or any other group company during the period.
3. Mr A.E. Bland was removed from office on 17th December 1991 in accordance with Section 303 of the Companies Act 1985.

AUDITORS

In accordance with section 385 of the Companies Act 1985 a resolution to reappoint the auditors, KPMG Peat Marwick will be proposed at the Annual General Meeting.

By order of the Board


D Potts
Secretary

120 Campden Hill Road
London
W8 7AR

REPORT OF THE AUDITORS
TO THE MEMBERS OF VANSON (CRAWLEY) LIMITED

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

In our opinion, the financial statements give a true and fair view of the Company's affairs at 31 October 1991 and of its profit and source and application of funds for the fifteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Astral Towers
Betts Way
Gatwick
Crawley
West Sussex
RH10 2XA

KPMG Peat Marwick
KPMG Peat Marwick
Chartered Accountants

Registered Auditor

30th July 1992

VANSON (CRAWLEY) LIMITEDPROFIT AND LOSS ACCOUNTFOR THE FIFTEEN MONTHS ENDED 31 OCTOBER 1991

	<u>Notes</u>	15 months to 31 October 1991 £	Year to 31 July 1990 £
Turnover	1b) & 2	6,000,000	7,350,000
Cost of sales		<u>(6,000,000)</u>	<u>(7,350,000)</u>
Gross profit		-	-
Administrative expenses		<u>-</u>	<u>-</u>
Operating profit		-	-
Interest payable and similar charges	3	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		<u>293,399</u>	<u>-</u>
Profit on ordinary activities after taxation, being retained profit for the financial period		293,399	-
Profit and loss account at beginning of period		<u>-</u>	<u>-</u>
Profit and loss account at end of period		<u>293,399</u>	<u>-</u>

The notes on pages 6 to 8 form part of these financial statements.

VANSON (CRAWLEY) LIMITED
BALANCE SHEET AT 31 OCTOBER 1991

	<u>Notes</u>	31 October <u>1991</u> £	31 July <u>1990</u> £
CURRENT ASSETS			
Stocks	5	28,348,346	28,676,162
Cash at bank and in hand		<u> -</u>	<u>76,885</u>
		28,348,346	28,753,047
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	<u>(21,992,445)</u>	<u>(22,690,545)</u>
NET CURRENT ASSETS		6,355,901	6,062,502
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	7	<u>(6,062,500)</u>	<u>(6,062,500)</u>
NET ASSETS		<u><u>293,401</u></u>	<u><u>2</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account		<u>293,399</u>	<u>-</u>
		<u><u>293,401</u></u>	<u><u>2</u></u>

The notes on pages 6 to 8 form part of these financial statements.

The financial statements were approved by the Board of Directors on
 30th JULY 1992 and signed on its behalf by:


 A W VICCARY

DIRECTORS


 A F WALKER

VANSON (CRAWLEY) LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE FIFTEEN MONTHS ENDED 31 OCTOBER 1991

	15 months to 31 October 1991 £	Year to 31 July 1990 £
SOURCE OF FUNDS		
Group Relief	<u>293,399</u>	<u>-</u>
 COMPONENTS OF INCREASE IN WORKING CAPITAL		
Stocks	(327,816)	(3,401,726)
Creditors, excluding bank loans and overdraft	<u>(9,109,024)</u> (9,436,840)	<u>3,324,841</u> (76,885)
 Movements in net liquid funds		
Bank and cash balances	<u>(9,730,239)</u> <u>293,399</u>	<u>76,885</u> <u>-</u>

The notes on pages 6 to 8 form part of these financial statements.

VANSON (CRAWLEY) LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE FIFTEEN MONTHS ENDED 31 OCTOBER 1991

1. ACCOUNTING POLICIES

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

a) Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and applicable accounting standards.

b) Turnover

Turnover represents sales of developments in the United Kingdom, excluding value added tax, together with attributable turnover on ongoing projects to the stage of completion at the accounting date.

c) Development properties and long term contracts

Development properties and long term contracts are valued at the lower of cost and net realisable value. Full provision is made for estimated losses to completion.

Interest incurred on loans to finance the costs of properties in the course of development is added to the cost of the relevant project.

Progress payments received and receivable where in excess of recorded turnover are deducted and, to the extent that such payments exceed the value of work in progress on any contract, the excess is included in current liabilities. The amount by which recorded turnover on long term contracts is in excess of payments on account is classified as "amounts recoverable on contracts" and is disclosed within debtors.

2. TURNOVER

In the opinion of the directors, there is only one activity being that of property development.

VANSON (CRAWLEY) LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE FIFTEEN MONTHS ENDED 31 OCTOBER 1991
(Continued)

3. INTEREST

	15 months to 31 October <u>1991</u> £	Year to 31 July <u>1990</u> £
Bank interest payable	2,139,514	2,472,540
Interest payable to holding company	<u>2,962,676</u>	<u>890,420</u>
	5,102,190	3,362,960
Less interest capitalised	<u>(5,102,190)</u>	<u>(3,362,960)</u>
	<u>-</u>	<u>-</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	15 months to 31 October <u>1991</u> £	Year to 31 July <u>1990</u> £
The company's tax credit comprises :		
Over-provision in prior year	<u>293,399</u>	<u>-</u>

5. STOCKS

	31 October <u>1991</u> £	31 July <u>1990</u> £
Work in progress : development land and properties	<u>28,348,346</u>	<u>28,676,162</u>

Cumulative capitalised interest of £10,531,743 (1990 : £5,429,553) is included in the value of development land and properties.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 October <u>1991</u> £	31 July <u>1990</u> £
Bank loans and overdraft	192,876	10,000,000
Amounts owed to group undertakings	21,626,569	12,307,892
Accruals and deferred income	<u>173,000</u>	<u>382,653</u>
	<u>21,992,445</u>	<u>22,690,545</u>

VANSON (CRAWLEY) LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE FIFTEEN MONTHS ENDED 31 OCTOBER 1991

(Continued)

7. CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR

	31 October <u>1991</u> £	31 July <u>1990</u> £
Bank loan	<u>6,062,500</u>	<u>6,062,500</u>

The bank loan is secured by a fixed charge over the development land and properties of the company.

8. SHARE CAPITAL

	31 October <u>1991</u> £	31 July <u>1990</u> £
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

9. DIRECTORS EMOLUMENTS

The directors received no emoluments for the period (1990 : £NIL).

10. AUDITORS REMUNERATION

The auditors remuneration is paid by the immediate holding company.

11. CAPITAL COMMITMENTS

No capital expenditure had been contracted for or approved by the Directors at 31 October 1991 (1990 : £NIL).

12. HOLDING COMPANY

The ultimate holding company at 31st October 1991 and the largest group in which the results of the company are consolidated is that headed by Virgin Holdings Limited, a company registered in England and Wales.

The smallest higher group in which the results of the company are consolidated is that headed by Virgin Group Limited, a company registered in England and Wales.