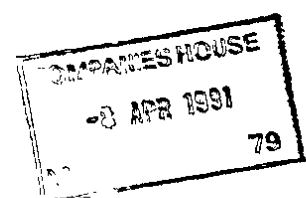


VANSON (CRAWLEY) LIMITED  
(formerly Squarefin 274 Limited)

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1990



VANSON (CRAWLEY) LIMITED  
DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1990

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VANSON (CRAWLEY) LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and financial statements for the year ended 31 July 1990.

**PRINCIPAL ACTIVITIES**

The Company operates as a property developer. Results for the year are shown on page 3 of the financial statements.

**PROPOSED 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 year. He had no interest in the shares of the ultimate holding companies during the year.
2. The remaining directors had no interest in the shares of these companies or any other group company during the year.

**CHANGE IN HOLDING COMPANY**

At 1st August 1989 the ultimate holding company was Virgin Communications Limited. On 31 July 1990 the ultimate holding company was Virgin Holdings Limited, as a result of a corporate restructuring involving the merger of Virgin Group Limited and Voyager Group Limited.

**AUDITORS**

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

By order of the Board

  
R.P. Flynn  
Secretary

120 Campden Hill Road  
London  
W8 7AR

31 January 1991

VANSON (CRAWLEY) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

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 July 1990 and of its results and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick McLintock*

Norfolk House  
499 Silbury Boulevard  
Central Milton Keynes  
MK9 2HA

KPMG Peat Marwick McLintock  
Chartered Accountants

*31st January 1991*

VANSON (CRAWLEY) LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 1990

		<u>Year to</u> <u>31 July</u> <u>1990</u> £	<u>Period to</u> <u>31 July</u> <u>1989</u> £
Turnover	1b) & 2	7,350,000	-
Cost of Sales		<u>(7,350,000)</u>	<u>-</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>-</u>	<u>-</u>
Profit on ordinary activities after taxation		<u>-</u> =====	<u>-</u> =====

The notes on pages 5 to 7 form part of these financial statements.

VANSON (CRAWLEY) LIMITED  
BALANCE SHEET 31 JULY 1990

Notes

		<u>1990</u> £	<u>1989</u> £
CURRENT ASSETS			
Stocks	4	28,676,162	32 077,888
Cash at bank and in hand		<u>76,885</u>	<u>-</u>
		28,753,047	32,077,888
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	<u>(22,690,545)</u>	<u>(16,015,386)</u>
NET CURRENT ASSETS		6,062,502	16,062,502
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	6	<u>(6,062,500)</u>	<u>(16,062,500)</u>
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	7	<u>2</u>	<u>2</u>

The notes on pages 5 to 7 form part of these financial statements.

The financial statements were approved by the Board of Directors  
on 31 January 1991 and signed on its behalf by:

A E BLAND

A W VICCARY

DIRECTORS

VANSON (CRAWLEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1990

(Continued)

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 convention.

b) Turnover

Turnover represents sales of developments in the United Kingdom, 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.

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.

d) Capitalisation of interest.

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

2. TURNOVER

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

VANSON (CRAWLEY) LIMITEDNOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1990  
(Continued)

## 3. INTEREST

	<u>Year to</u> <u>31 July</u> <u>1990</u> £	<u>Period to</u> <u>31 July</u> <u>1989</u> £
Bank interest payable	2,472,540	2,071,959
Interest payable to holding company	<u>890,420</u>	<u>13,384</u>
	3,362,960	2,085,843
Less interest capitalised	(3,362,960)	(2,085,843)
	=====	=====
	-	-
	=====	=====

## 4. STOCKS

	<u>1990</u> £	<u>1989</u> £
Work in progress	<u>28,676,162</u>	<u>32,077,888</u>
	=====	=====

In preparing these financial statements the directors have based their estimates of net realisable values of the principal development properties that the company owns upon a formal valuation report prepared by members of the Royal Institution of Chartered Surveyors, who are also directors of the company. In each case these valuations are based on current expectations as to the likely further costs that will be incurred on the development and the timing of likely sales.

The valuations were made assuming an orderly realisation over a reasonable time as would be necessary to achieve a satisfactory market value.

## 5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1990</u> £	<u>1989</u> £
Bank loan	10,000,000	8,824,954
Amounts owed to group companies	12,307,892	6,005,215
Accruals and deferred income	<u>382,653</u>	<u>1,185,217</u>
	<u>22,690,545</u>	<u>16,015,386</u>
	=====	=====

The bank loan is secured by a fixed charge over the company's freehold properties.



VANSON (CRAWLEY) LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 July 1990

(Continued)

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

	<u>1990</u>	<u>1989</u>
	£	£
Bank loan	6,062,500	16,062,500
	=====	=====

The bank loan is secured by a fixed charge over the assets of the company.

## 7. SHARE CAPITAL

	<u>1990</u>	<u>1989</u>
Authorised:		
100 ordinary shares of £1 each	100	100
	===	===
Issued, called up and fully paid:		
2 ordinary shares of £1 each	2	2
	===	===

## 8. DIRECTORS EMOLUMENTS

The directors received no emoluments for the year.

## 9. AUDITORS REMUNERATION

The auditors remuneration is paid by the holding company.8.

## 10. CAPITAL COMMITMENTS

No capital expenditure had been contracted for or approved by the Directors at 31 July 1990.

## 11. HOLDING COMPANY

The ultimate holding company at the year end was Virgin Holdings Limited, a company incorporated in England.

**VANSON (CRAWLEY) LIMITED**  
**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**  
**FOR THE YEAR ENDED 31 JULY 1990**

	Year to 31 July 1990 £	Period to 31 July 1989 £
<b>SOURCE OF FUNDS</b>		
Issue of share capital	-	2
<b>INCREASE IN WORKING CAPITAL</b>	<u>-</u> =====	<u>2</u> =====
<b>INCREASE/(DECREASE)IN WORKING CAPITAL</b>		
(Decrease) in stocks	(3,401,726)	32,077,888
Decrease in creditors	<u>3,324,841</u> (76,885)	<u>(32,077,885)</u> 2
<b>Movements in net liquid funds</b>		
Bank and cash balances	<u>76,885</u> - =====	<u>2</u> =====