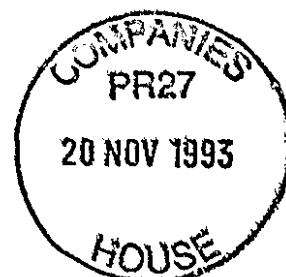


FERRERSMERE ESTATES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1993



FERRERSMEER ESTATES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1993.

Principal activity

The company is principally engaged as property developers.

Review of the business

The result and balance sheet position of the company are considered satisfactory at this stage of the company's development. The directors are hopeful that the current year will be profitable.

There was a loss for the year after taxation amounting to £32,693 (1992 loss: £52,312). The directors do not recommend payment of a dividend and the loss has therefore been deducted from reserves.

Directors

The directors in office at the end of the year are listed below.

All directors served on the Board throughout the year. On 1 April 1992 Mr J M Clissold was appointed to the Board.

The interests of the directors who are also directors of the parent undertaking are disclosed in that company's financial statements.

The interests of the other director in the shares of the company, the parent undertaking or other group undertakings at 1 April 1992 and 31 March 1993 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, are included below:

	Parent undertaking 1993 and 1992 Ordinary shares	The company and other group undertakings 1993 and 1992 Ordinary shares
Mr W M Griggs (Chairman)	(also a director of the parent undertaking)	
Mr S W Griggs	(also a director of the parent undertaking)	
Mr J M Clissold	(also a director of the parent undertaking)	
Mrs B Y Griggs	4,568	-

Fixed assets

The movement in the year is shown in note 6 to the accounts.

FERRERSMEERE ESTATES LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

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.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

.....
Chairman

Registered office:
Cobbs Lane
Wollaston
Northants
NN9 7SW

8 October 1993

REPORT OF THE AUDITORS TO THE MEMBERS OF

FERRERSMERE ESTATES LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 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 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 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 state of the company's affairs at 31 March 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Registered Auditors
Chartered Accountants

Northampton

8 October 1993

A handwritten signature in dark ink, appearing to read 'Grant Thornton', is written over a horizontal line.

FERRENSMERE ESTATES LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention except that investments in property are revalued at market value.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

No depreciation is provided on freehold land.

Depreciation is calculated to write down the cost of freehold buildings by equal annual instalments over their expected useful lives.

The period generally applicable is 50 years.

Investments

The balance sheet shows the investment in the associated undertaking at cost less amounts written off.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, certain of the company's properties are held for long-term investment and are included in the balance sheet at their open market values. The surplus or deficit on annual revaluation of such properties is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

FERRERSMERE ESTATES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1993

	Note	1993 £	1992 £
Turnover	1	60,000	-
Other operating charges	2	54,742	9,334
Operating profit/(loss)		<u>5,257</u>	<u>(9,334)</u>
Net interest	3	<u>(33,175)</u>	<u>(50,166)</u>
Loss on ordinary activities before taxation	1	(27,917)	(59,500)
Tax on loss on ordinary activities	5	4,776	(7,188)
Loss retained	13	<u>£(32,693)</u>	<u>£(52,312)</u>

There were no recognised gains or losses other than the loss for the financial year.



The accompanying accounting policies and notes form an integral part of these financial statements.

FERRERSMERE ESTATES LIMITED

BALANCE SHEET AT 31 MARCH 1993

	Note	£	1993 £	£	1992 £
Fixed assets					
Tangible assets	6		2,384,536		1,804,090
Investments	7		975,767		833,767
			<u>3,360,303</u>		<u>2,637,857</u>
Current assets					
Debtors	8	239,192		58,275	
Creditors: amounts falling due within one year	9	3,745,849		2,814,569	
Net current liabilities			<u>(3,506,657)</u>		<u>(2,756,294)</u>
Total assets less current liabilities			<u>(146,354)</u>		<u>(118,437)</u>
Provisions for liabilities and charges	10		4,776		-
			<u>£(151,130)</u>		<u>£(118,437)</u>
			=====		=====
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		(151,132)		(118,439)
Shareholders' funds	14		<u>£(151,130)</u>		<u>£(118,437)</u>
			=====		=====

The financial statements were approved by the Directors on 8 October 1993

W M Griggs 
) Directors
 Mrs B Y Griggs 
)

The accompanying accounting policies and notes form an integral part of these financial statements.

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1993

1 Turnover and loss on ordinary activities before taxation

The turnover and loss on ordinary activities before taxation are attributable to one activity, that of property development and are stated after:

	1993	1992
Auditors' remuneration	£1,200	£1,200
	=====	=====

2 Other operating charges

	1993 £	1992 £
Other operating charges	22,303	9,334
Depreciation	32,439	-
	£54,742	£9,334
	=====	=====

3 Net interest

	1993 £	1992 £
On bank loans, overdrafts and other loans		
- repayable within 5 years, otherwise than by instalments	(23,494)	(38,538)
- repayable within 5 years, by instalments	(21,214)	(9,249)
Interest payable to group undertakings	(76,297)	(40,357)
Interest receivable and similar income	87,830	37,978
	£(33,175)	£(50,166)
	=====	=====

4 Directors and employees

No remuneration was paid during the year ended 31 March 1993 (1992: nil).

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

5 Tax on loss on ordinary activities

The tax charge/(credit) is based on the loss for the year and represents:

	1993 £	1992 £
Group relief	-	(7,188)
Deferred tax	5,157	-
Adjustment in respect of prior year: Deferred tax	(381)	-
	<u>£4,776</u>	<u>£(7,188)</u>

Unrelieved tax losses of £95,589 remain available to offset future taxable profits.

6 Tangible fixed assets

	Land and buildings		
	Freehold	Investment property	Total
	£	£	£
Cost or valuation			
At 1 April 1992	1,576,200	227,890	1,804,090
Additions	45,755	567,130	612,885
At 31 March 1993	<u>£1,621,955</u>	<u>£795,020</u>	<u>£2,416,975</u>
Depreciation			
Provided in the year and at 31 March 1993	<u>£32,439</u>	<u>£ -</u>	<u>£32,439</u>
Net book value at 31 March 1993	<u>£1,589,516</u>	<u>£795,020</u>	<u>£2,384,536</u>
Net book value at 31 March 1992	<u>£1,576,200</u>	<u>£227,890</u>	<u>£1,804,090</u>

The investment properties are stated at directors' valuation at open market value. No deficit or surplus arises in the year.

The gross amount of land and buildings on which depreciation is being provided is as follows:

Freehold buildings	<u>£1,621,955</u>
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FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

7 Fixed asset investments

At 31 March 1993 the company held 50% (1992 50%) of the allotted ordinary share capital of Rufus Properties Limited, a company engaged in property development and registered in England & Wales. At 25 March 1993 the aggregate capital and deficit reserves was £1,960,214 (25 March 1992 deficit £1,540,374) and the loss for the financial period ended on that date was £419,840 (25 March 1992 loss £948,034).

	Total undertaking £ -unlisted £	Shares in associated Total undertaking £ -unlisted £	Unsecured loan stock £	Loan £
Cost				
At 1 April 1992	833,767	401	833,366	-
Additions	142,000	-	-	142,000
At 31 March 1993	<u>£975,767</u>	<u>£401</u>	<u>£833,366</u>	<u>£142,000</u>

The unsecured loan stock is repayable on 1 January 1998 and is subject to interest at 2% above Lloyds Bank base rate. The loan issued in the year is interest free.

The above associated undertaking is accounted for using the equity method in the financial statements of the ultimate parent undertaking.

8 Debtors

	1993 £	1992 £
Amounts falling due within one year		
Amounts owed by group undertakings	357	7,188
Other debtors	99,918	-
Prepayments	138,917	51,087
	<u>£239,192</u>	<u>£58,275</u>

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

9 Creditors - amounts falling due within one year

	1993 £	1992 £
Bank overdraft	2,688,440	1,827,858
Amounts owed to group undertakings	845,203	725,600
Accruals	10,106	59,001
Director's loan		
- Mr W M Griggs	202,100	202,100
	<u>£3,745,849</u>	<u>£2,814,569</u>
	=====	=====

Included above are amounts due to group undertakings totalling £725,600 and a Director's loan totalling £202,100 which represent unsecured loans which were due for repayment on 1 January 1993 and are subject to interest at 2% above Lloyds Bank base rate.

10 Provisions for liabilities and charges

Deferred
taxation
(note 11)

Provided in the year and at 31 March 1993	<u>£4,776</u>
	=====

11 Deferred taxation

Deferred taxation provided for in the financial statements is set out below:

	1993 £	1992 £
Accelerated capital allowances	229	-
Other timing differences	4,547	-
	<u>£4,776</u>	<u>£-</u>
	=====	=====

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

12 Share capital

1993 and 1992

Authorised 500,000 ordinary shares of £1 each	£500,000 =====
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Allotted, called up and fully paid 2 ordinary shares of £1 each	£2 =====
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13 Reserves

Profit and
loss account
£

At 1 April 1992	(118,439)
Loss for the year	(32,693)

At 31 March 1993	£(151,132) =====
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14 Reconciliation of movements in shareholders' funds

1993	1992
£	£

Loss for the financial year and net decrease in shareholders' funds	(32,693)	(52,312)
Shareholders' funds at 1 April 1992	(118,437)	(66,125)

Shareholders' funds at 31 March 1993	£(151,130) =====	£(118,437) =====
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15 Capital commitments

1993	1992
£	£

Authorised by the directors but not contracted for	3,450,000	-
Contracted for but not provided in these financial statements	500,000	-

£3,950,000 =====	£ - =====
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FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

16 Contingent liabilities

The company, together with other group undertakings, is party to unlimited multilateral guarantees given in respect of the bank overdrafts of the participating companies. As at 31 March 1993 the total overdraft guaranteed by the company under this agreement amounted to £nil (1992 £851,968).

17 Ultimate parent undertaking

The ultimate parent undertaking of this company is R Griggs Group Limited, which is registered in England and Wales.