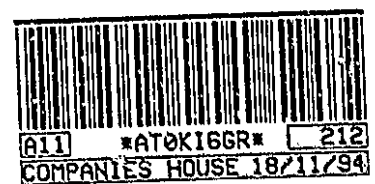


FERRERSMERE ESTATES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1994
COMPANY NUMBER: 2303538



FERRERSMERE ESTATES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1994.

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 £677,762 (1993 loss: £32,693). 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 served on the Board throughout the year.

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 1993 and 31 March 1994 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, are included below:

	Parent undertaking		The company and other group undertakings
	1994	1993	1994 and 1993
	Ordinary shares		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	*5,318	*5,218	-

* Includes joint holdings of 750 (1993: 650) ordinary shares.

Fixed assets

The movement in the year is shown in note 6 to the accounts. The principal addition relates to the purchase and development of the premises in Covent Garden, London.

FERRERSMERE 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

S W Griggs


Director

Registered office:
Cobbs Lane
Wollaston
Wellingborough
Northants
NN29 7SW

14 October 1994

**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 1994 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

14 October 1994



FERRERSMERE 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 rate generally applicable is 3% - Straight line method

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.

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

FERRETISMERE ESTATES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1994

	Note	1994 £	1993 £
Turnover	1	161,728	60,000
Other operating income and charges	2	288,738	54,742
Operating (loss)/profit		(127,010)	5,258
Amounts written off investments	7	416,683	-
Exceptional items			
Loss on sale of fixed assets in continuing operations		52,890	-
Net interest	3	85,955	33,175
Loss on ordinary activities before taxation	1	(682,538)	(27,917)
Tax on loss on ordinary activities	5	(4,776)	4,776
Loss for the financial year	13	£(677,762) =====	£(32,693) =====

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 1994

	Note	£	1994 £	£	1993 £
Fixed assets					
Tangible assets	6		6,414,472		2,384,536
Investments	7		638,084		975,767
			<u>7,052,556</u>		<u>3,360,303</u>
Current assets					
Debtors	8	220,428		239,192	
Cash at bank		11,860		-	
		<u>232,288</u>		<u>239,192</u>	
Creditors: amounts falling due within one year	9	8,113,736		3,745,849	
Net current liabilities			<u>(7,881,448)</u>	<u>(3,506,657)</u>	
Total assets less current liabilities			<u>(828,892)</u>	<u>(146,354)</u>	
Provisions for liabilities and charges	10		-	4,776	
			<u>£(828,892)</u>	<u>£(151,130)</u>	
			=====	=====	
Capital and reserves					
Called up share capital	12		2	2	
Profit and loss account	13		(828,894)	(151,132)	
Shareholders' funds	14		<u>£(828,892)</u>	<u>£(151,130)</u>	
			=====	=====	

The financial statements were approved by the Board of Directors on 14 October 1994


W M Griggs Director
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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 1994

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.

The loss on ordinary activities is stated after:

	1994	1993
Auditors' remuneration	£3,300	£1,200
	=====	=====

2 Other operating income and charges

	Note	1994 £	1993 £
Other operating charges		234,549	22,303
Depreciation	6	54,189	32,439
		£288,738	£54,742
		=====	=====

3 Net interest

	1994 £	1993 £
On bank loans, overdrafts and other loans		
- repayable within 5 years, otherwise than by instalments	79,356	23,494
- repayable within 5 years, by instalments	15,743	21,214
Interest payable to group undertakings	56,512	76,297
Interest receivable and similar income	(65,656)	(87,830)
	£85,955	£33,175
	=====	=====

4 Directors and employees

No remuneration was paid during the year ended 31 March 1994 (1993: nil).

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

5 Tax on loss on ordinary activities

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

	1994 £	1993 £
Deferred tax	(4,776)	5,157
Adjustment in respect of prior year:		
Deferred tax	-	(381)
	<u>£(4,776)</u>	<u>£4,776</u>

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

6 Tangible fixed assets

	Total £	Land and buildings Freehold £	Investment property £
Cost or valuation			
At 1 April 1993	2,416,975	1,621,955	795,020
Additions	4,137,015	4,137,015	-
Transfers	-	567,130	(567,130)
Deficit on revaluation	(52,890)	-	(52,890)
At 31 March 1994	<u>£6,501,100</u>	<u>£6,326,100</u>	<u>£175,000</u>
Depreciation			
At 1 April 1993	32,439	32,439	-
Provided in the year	54,189	54,189	-
At 31 March 1994	<u>£86,628</u>	<u>£86,628</u>	<u>£ -</u>
Net book amount at 31 March 1994	<u>£6,414,472</u>	<u>£6,239,472</u>	<u>£175,000</u>
Net book amount at 31 March 1993	<u>£2,384,536</u>	<u>£1,589,516</u>	<u>£795,020</u>

The investment properties are stated at directors' valuation at open market value. The deficit arising in the year has been taken to the profit and loss account.

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

Freehold buildings	<u>£2,710,451</u>
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FERRERSHIRE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

7 Fixed asset investments

At 31 March 1994 the company held 50% (1993 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 1994 the aggregate capital and deficit reserves was £2,189,580 (25 March 1993 deficit £1,960,214) and the loss for the financial period ended on that date was £229,366 (25 March 1993 loss £419,840).

	Shares in associated Total undertaking £ -unlisted £		Unsecured loan stock £	Loan £
Cost				
At 1 April 1993	975,767	401	833,366	142,000
Additions	79,000	-	-	79,000
Provision	(416,683)	-	(416,683)	-
At 31 March 1994	£638,084	£401	£416,683	£221,000
	=====			

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

	1994 £	1993 £
Amounts owed by group undertakings	-	357
Other debtors	16,606	99,918
Prepayments	203,822	138,917
	£220,428	£239,192
	=====	=====

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

9 Creditors - amounts falling due within one year

	1994 £	1993 £
Bank overdraft	6,914,670	2,688,440
Amounts owed to group undertakings	913,110	845,203
Accruals	83,856	10,106
Director's loan		
- Mr W M Griggs	202,100	202,100
	<u>£8,113,736</u>	<u>£3,745,849</u>
	=====	=====

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

10 Provisions for liabilities and charges

	Deferred taxation (note 11) £
At 1 April 1993	4,776
Utilised during the year	(4,776)
At 31 March 1994	<u>£ -</u>
	=====

11 Deferred taxation

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

	1994 £	1993 £
Accelerated capital allowances	-	229
Other timing differences	-	4,547
	<u>£ -</u>	<u>£4,776</u>
	=====	=====

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

12 Share capital

1994 and 1993

Authorised 500,000 ordinary shares of £1 each	£500,000
	=====

Allotted, called up and fully paid 2 ordinary shares of £1 each	£2
	=====

13 Reserves

**Profit and
loss account
£**

At 1 April 1993	(151,132)
Loss for the year	(677,762)
At 31 March 1994	£(828,894)
	=====

14 Reconciliation of movements in shareholders' funds

1994	1993
£	£

Loss for the financial year and net decrease in shareholders' funds	(677,762)	(32,693)
Shareholders' funds at 1 April 1993	(151,130)	(118,437)
Shareholders' funds at 31 March 1994	£(828,892)	£(151,130)
	=====	=====

15 Capital commitments

1994	1993
£	£

Authorised by the directors but not contracted for	2,050,000	3,450,000
Contracted for but not provided in these financial statements	80,000	500,000
	£2,130,000	£3,950,000
	=====	=====

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

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 1994 the total overdraft guaranteed by the company under this agreement amounted to £1,203,434 (1993 £nil).

Ultimate parent undertaking

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

FERRERSMERE ESTATES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1994

	£	1994 £	£	1993 £
Turnover				
Rent receivable		161,728		60,000
Administrative expenses				
Rates	22,231		-	
Depreciation	54,189		32,439	
Auditor's remuneration	3,300		1,200	
Legal and professional	185,047		16,607	
Sundry expenses	409		172	
Insurance	7,007		4,324	
Repairs and renewals	16,101		-	
Heat and light	454		-	
Loss on disposal of property	52,890		-	
Provision against investment in associated undertaking	416,683		-	
	<u>758,311</u>		<u>54,742</u>	
Finance expenses				
Bank interest and charges	79,356		23,494	
Loan interest	72,255		97,511	
Interest receivable	(65,656)		(87,830)	
	<u>85,955</u>		<u>33,175</u>	
Total net expenses		844,266		87,917
Loss on ordinary activities		<u>£(682,538)</u>		<u>£(27,917)</u>

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS