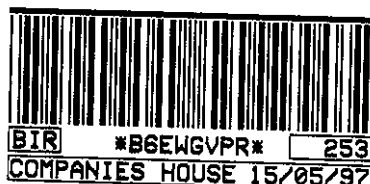

Cofton Irish Investments Limited

Report and Financial Statements

◆ *Period ended 30 September 1996* ◆



Company No: 2398604

COFTON IRISH INVESTMENTS LIMITED

CONTENTS

	Page
Company information	1
Report of the directors	2-3
Report of the auditors	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Reconciliation of movement in shareholders' funds	6
Balance sheet	7
Notes to the financial statements	8-12

COFTON IRISH INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	T E Barnsdall A J Stanton P Postlethwaite
Secretary	P Postlethwaite
Registered office	Cofton House Firwood Road Garretts Green Birmingham B33 0ST
Registered number	2398604
Auditors	Robson Rhodes Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	Industrial Credit Corporation PLC 32-34 Harcourt Street Dublin 2 Ireland Bank of Ireland 188-190 Stratford Road Shirley Solihull West Midlands B90 3AQ

COFTON IRISH INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the period ended 30 September 1996.

Principal activity

The principal activity of the company is that of property investment.

Business review and future developments

The company has changed its accounting reference date to 30 September.

The directors again report a further period of profitability and are pleased to announce that full occupancy of the company's investment property, Adelaide House, has been achieved in the new year.

Results and dividends

The profit for the period amounted to £52,400 (31 March 1995 - £41,597). It is recommended that this amount be transferred to reserves.

The directors do not recommend the payment of a dividend (31 March 1995 - £Nil).

Directors

The directors of the company are set out on page 1. All of the directors served throughout the period.

None of the directors have a beneficial interest in the shares of the company as defined by the Companies Act 1985.

The interests of the directors in the shares of the ultimate holding company, Cofton Group Limited, are disclosed in the financial statements of that company.

COFTON IRISH INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (Continued)

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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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

The auditors, Robson Rhodes are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 12 May 1997 and signed on its behalf by:



PHILIP POSTLETHWAITE
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF COFTON IRISH INVESTMENTS LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 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.

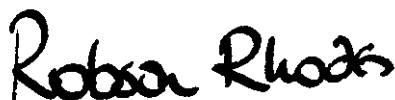
Basis of opinion

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 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 affairs of the company as at 30 September 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Birmingham
12 May 1997

COFTON IRISH INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the period ended 30 September 1996

	Note	Period ended 30 September 1996 £	Year ended 31 March 1995 £
Turnover - continuing operations	2	261,423	177,259
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		261,423	177,259
Administrative expenses		(18,769)	(6,214)
		<hr/>	<hr/>
Operating profit - continuing operations	3	242,654	171,045
Interest receivable and similar income	4	119	124
Interest payable	5	(184,861)	(129,547)
Other income		488	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		58,400	41,622
Tax on profit on ordinary activities	8	(6,000)	(25)
		<hr/>	<hr/>
Retained profit for the financial period/year	15	52,400	41,597
		<hr/>	<hr/>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

COFTON IRISH INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the period ended 30 September 1996

	Period ended 30 September 1996 £	Year ended 31 March 1995 £
Profit for the financial period/year	52,400	41,597
Foreign currency exchange differences	74,211	(1,048)
	<hr/>	<hr/>
Total recognised gains	126,611	40,549
	<hr/>	<hr/>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the period ended 30 September 1996

	Period ended 30 September 1996 £	Year ended 31 March 1995 £
Total recognised gains	126,611	40,549
Opening shareholders' funds	115,228	74,679
	<hr/>	<hr/>
Closing shareholders' funds	241,839	115,228
	<hr/>	<hr/>

COFTON IRISH INVESTMENTS LIMITED

BALANCE SHEET
at 30 September 1996

	Note	30 September 1996 £	31 March 1995 £
Fixed assets			
Investment properties	9	2,049,180	2,002,002
		<hr/>	<hr/>
Current assets			
Debtors	10	23,531	23,531
Cash at bank and in hand		19,038	233
		<hr/>	<hr/>
		42,569	23,764
Creditors: Amounts falling due within one year	11	(406,601)	(440,196)
		<hr/>	<hr/>
Net current liabilities		(364,032)	(416,432)
		<hr/>	<hr/>
Total assets less current liabilities		1,685,148	1,585,570
Creditors: Amounts falling due after more than one year	12	(1,443,309)	(1,470,342)
		<hr/>	<hr/>
Net assets		241,839	115,228
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	14	100	100
Investment revaluation reserve	15	249,367	249,367
Profit and loss account	15	(48,048)	(100,448)
Other reserves	15	40,420	(33,791)
		<hr/>	<hr/>
Equity shareholders' funds		241,839	115,228
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board on 12 May 1997 and signed on its behalf by:



THOMAS EDWARD BARNSDALL
Director

NOTES TO THE FINANCIAL STATEMENTS

30 September 1996

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain land and buildings.

Foreign currencies

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date. The trading results are translated into sterling at the average exchange rate for the period. Exchange differences arising in respect of the revenue transactions in the accounting period are included in the profit and loss account. Other exchange differences are taken to reserves.

Turnover

Turnover comprises rent and charges to clients and the invoiced value of properties sold, excluding valued added tax.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Investment properties

Investment properties are revalued annually and the surplus or deficit is transferred to Revaluation Reserve. In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold properties with over 20 years to run.

The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2. TURNOVER

	Period ended 30 September 1996 £	Year ended 31 March 1995 £
Rents receivable	261,423	177,259

COFTON IRISH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 September 1996

3. OPERATING PROFIT

Operating profit is arrived at after charging:

	Period ended 30 September 1996 £	Year ended 31 March 1995 £
Auditors' remuneration	1,533	1,175
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 30 September 1996 £	Year ended 31 March 1995 £
Bank interest receivable	119	124
	<u> </u>	<u> </u>

5. INTEREST PAYABLE

	Period ended 30 September 1996 £	Year ended 31 March 1995 £
Bank loan interest	184,861	129,547
	<u> </u>	<u> </u>

6. EMPLOYEES

The company had no employees during the period other than the directors on page 1.

7. DIRECTORS

The directors did not receive any emoluments during the period (31 March 1995 - £Nil).

COFTON IRISH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 September 1996****8. TAXATION**

	Period ended 30 September 1996 £	Year ended 31 March 1995 £
Group relief payable at 25%	6,000	-
Amendment of previous years' estimates	-	25
	<hr/>	<hr/>
	6,000	25
	<hr/>	<hr/>

9. INVESTMENT PROPERTIES

	Period ended 30 September 1996 £	Year ended 31 March 1995 £
At 1 April 1995	2,002,002	1,945,525
Exchange differences	47,178	56,477
	<hr/>	<hr/>
At 30 September 1996	2,049,180	2,002,002
	<hr/>	<hr/>

The company's investment properties have been valued by the directors on the basis of professional advice.

10. DEBTORS

	30 September 1996 £	31 March 1995 £
Amounts owed by fellow subsidiary undertakings	6,477	6,477
Group relief receivable	17,054	17,054
	<hr/>	<hr/>
	23,531	23,531
	<hr/>	<hr/>

COFTON IRISH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 September 1996****11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 September 1996	31 March 1995
	£	£
Amounts owed to parent and fellow subsidiary undertakings	369,682	398,222
Accruals and deferred income	30,919	41,974
Group relief payable	6,000	-
	<hr/>	<hr/>
	406,601	440,196
	<hr/>	<hr/>

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

	30 September 1996	31 March 1995
	£	£
Bank loans repayable otherwise than by instalments and due between one and two years	1,443,309	1,470,342
	<hr/>	<hr/>

The bank loan is secured by a fixed charge over the company's freehold investment property and a floating charge over the company's remaining assets.

13. PROVISIONS FOR LIABILITIES AND CHARGES

As stated in note 1, provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Unprovided deferred tax is as follows:	30 September 1996	31 March 1995
	£	£
Revaluation surplus on investment property	20,000	20,000
Losses	-	(8,000)
	<hr/>	<hr/>
	20,000	12,000
	<hr/>	<hr/>

COFTON IRISH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 September 1996****14. SHARE CAPITAL**

	30 September 1996 £	31 March 1995 £
Authorised		
250,000 Ordinary shares of £1 each	250,000	250,000
Allotted and fully paid		
100 Ordinary shares of £1 each	100	100

15. RESERVES

	Investment revaluation reserve £	Profit and loss account £	Other reserves £	Total £
At 1 April 1995	249,367	(100,448)	(33,791)	115,128
Profit for the period	-	52,400	-	52,400
Other foreign exchange translation differences	-	-	74,211	74,211
At 30 September 1996	249,367	(48,048)	40,420	241,739

16. BANK LOANS, OVERDRAFTS AND CONTINGENT LIABILITIES

The group's banking facilities are subject to cross guarantees entered into by the holding company and its subsidiaries. The company has created a fixed and floating charge over all its assets to secure all amounts owing to Bank of Ireland by the holding company and its subsidiaries.

17. PARENT UNDERTAKING

The ultimate parent company is Cofton Group Limited, which is registered in England and Wales.

Its group accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.