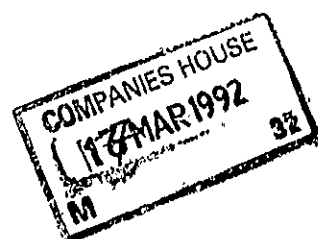


20-03-92

**KPMG** Peat Marwick

PADYEAR LIMITED  
(Registered Number: 2430235)  
DIRECTORS' REPORT AND ACCOUNTS  
30TH JUNE, 1991



KPMG PEAT MARWICK  
1 Puddle Dock, Blackfriars, London EC4V 3PD

PADYEAR LIMITED

REPORT OF THE DIRECTORS

The directors submit the report and accounts for the year ended 30th June, 1991.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is commercial development.

DIRECTORS

The directors of the company during the year were:

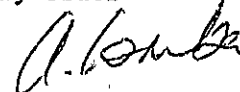
A.M. Comba  
D. Evans  
N.J. Harris  
G.T. Jacks  
W.N. Mason-Jones  
C.P. Munday (resigned 16th April, 1991)  
M.L. Rose (appointed 16th April, 1991)

No director had any beneficial interest in the shares of the company during the period.

AUDITORS

A resolution for the re-appointment of KPMG Peat Marwick as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the Board



Secretary

*AMC*

4th December, 1991

Beazer House,  
Lower Bristol House,  
Bath,  
Avon,  
BA2 3EY.

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF  
PADYEAR LIMITED

We have audited the accounts on pages 3 to 6 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30th June, 1991 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LONDON

4th December, 1991

*KPMG Peat Marwick.*

Chartered Accountants  
Registered Auditor

PADYEAR LIMITEDPROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE, 1991

	<u>Note</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Interest payable	3	(487,596)	(111,090)
Loss on ordinary activities before and after taxation		(487,596)	(111,090)
Retained loss brought forward		(111,090)	-
Retained loss carried forward		(598,686)	(111,090)

The notes on pages 5 and 6 form part of these accounts.

PADYEAR LIMITEDBALANCE SHEET AT 30TH JUNE, 1991

	<u>Note</u>	<u>1991</u> £	<u>1990</u> £
CURRENT ASSETS			
Stock	1(b), 4	6,461,548	3,637,834
Debtors	5	23,548	188,697
		<u>6,485,096</u>	<u>3,826,531</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(282,810)	(832,521)
NET CURRENT ASSETS		<u>6,202,286</u>	<u>2,994,010</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	7	(6,800,872)	(3,105,000)
NET LIABILITIES		<u>(598,586)</u>	<u>(110,990)</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account		(598,586)	(111,090)
		<u>(598,586)</u>	<u>(110,990)</u>

These accounts were approved by the  
Board of Directors on 4th December, 1991.

*E.T. Jacobs* }  
Directors

The notes on pages 5 and 6 form part of these accounts.

PADYEAR LIMITEDNOTES TO THE ACCOUNTS1. ACCOUNTING POLICIESa) Accounting convention

The accounts are prepared in accordance with applicable accounting standards and on a going concern basis. The accounts have been prepared on a going concern basis as the shareholders have subordinated their loans to the interests of the other creditors.

b) Stock

Work in progress is stated at the lower of cost and net realisable value. Commercial developments under construction include the cost of land and development costs.

2. DIRECTORS' EMOLUMENTS

Directors' emoluments for the year were fnil (1990: fnil).

3. INTEREST PAYABLE

	<u>1991</u> £	<u>1990</u> £
Interest on bank loans and overdraft	487,596 =====	111,090 =====

4. STOCK

	<u>1991</u> £	<u>1990</u> £
Work in progress: commercial development	6,461,548 =====	3,637,834 =====

5. DEBTORS

	<u>1991</u> £	<u>1990</u> £
Trade debtors	6,044	-
Other debtors	17,504	188,697
	<u>23,548</u> =====	<u>188,697</u> =====

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1991</u> £	<u>1990</u> £
Bank loans and overdrafts	178,991	152,252
Trade creditors	56,037	503,024
Accruals and deferred income	47,782	177,245
	<u>282,810</u> =====	<u>832,521</u> =====

RADYEAR LIMITEDNOTES TO THE ACCOUNTS7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1991</u> £	<u>1990</u> £
Bank loan repayable within five years	4,300,872	1,000,000
Amounts owed to related companies	2,500,000	2,105,000
	<hr/>	<hr/>
	6,800,872	3,105,000
	=====	=====

The bank loan is secured on the property held for development.

8. SHARE CAPITAL

	<u>1991</u> £	<u>1990</u> £
Authorised, issued and fully paid:		
50 "A" ordinary shares of £1 each	50	50
50 "B" ordinary shares of £1 each	50	50
	<hr/>	<hr/>
	100	100
	==	==