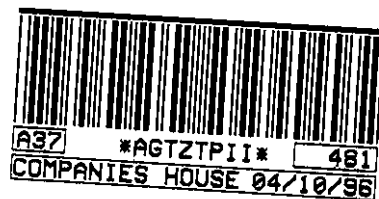


ROWLINSON CONSTRUCTIONS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1996

COMPANY NUMBER 2596893



ROWLINSON CONSTRUCTIONS LIMITED

31 MARCH 1996

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ROWLINSON CONSTRUCTIONS LIMITED

NOTICE OF MEETING

Notice is hereby given that the annual general meeting of the company will be held at its registered office on Friday, 6 September 1996 at 10.35am to:

- 1 Receive the directors' report and the audited financial statements for the year ended 31 March 1996.
- 2 Re-elect Mr P M Rowlinson as a director.
- 3 Re-appoint Price Waterhouse as auditors.
- 4 Transact any other business of an annual general meeting.

Any member entitled to attend and vote may appoint another person (whether a member or not) as his/her proxy to attend and vote instead of him/her.

By Order of the Board

D TIERNEY
Secretary

6 September 1996

London House
London Road South
Poynton
Stockport
Cheshire
SK12 1YP

ROWLINSON CONSTRUCTIONS LIMITED

COMPANY INFORMATION

Directors	P J Rowlinson (Chairman) P M Rowlinson D J Roberts
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Secretary	D Tierney
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Registered Office	London House London Road South Poynton Stockport Cheshire SK12 1YP
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Auditors	Price Waterhouse York House York Street Manchester M2 4WS
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ROWLINSON CONSTRUCTIONS LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements of the Company for the year ended 31 March 1996.

ACTIVITIES

The Company's principal activity is contract building.

RESULTS AND DIVIDEND

The profit after taxation for the year amounts to £338,404 (1995 - £296,423) and has been credited to the profit and loss account resulting in a balance to be carried forward of £1,297,707. The directors do not propose a dividend (1995 - £Nil).

REVIEW OF THE BUSINESS

The directors consider the results of the business to be reasonable. The Company is a member of the Rowlinson Securities PLC group of companies and a review of the business of the group is contained within the chairman's statement which is included in the published group financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and at the date of this report are shown on page 2. Mr P M Rowlinson retires by rotation at the Annual General Meeting and, being eligible, offers himself for re-election.

None of the directors has an interest in any of the Company's shares.

Messrs P J Rowlinson and P M Rowlinson are also directors of the parent company and therefore their interests in the share capital of that company and other group companies are disclosed in the parent company's financial statements.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF PREPARATION OF THE FINANCIAL STATEMENTS

The directors are required by the Companies Act 1985 to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit of the company for that period. In preparing the financial statements, the directors confirm that they have:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- followed applicable accounting standards.

The directors are responsible for ensuring the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which ensure that the financial statements comply with the Companies Act 1985. The directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

ROWLINSON CONSTRUCTIONS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

COMPANY STATUS

The Company is a close company within the meaning of Section 414 Income and Corporation Taxes Act 1988.

AUDITORS

Price Waterhouse have indicated their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

The report of the directors was approved by the Board 6 September 1996 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D. Tierney', is written over the printed name.

D TIERNEY
Secretary

Price Waterhouse



REPORT OF THE AUDITORS TO THE MEMBERS OF ROWLINSON CONSTRUCTIONS LIMITED

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described in the report of the directors, the company's directors are responsible for the preparation of the 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 affairs of the company as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse.

PRICE WATERHOUSE
Manchester
Chartered Accountants
and Registered Auditors

6 September 1996

ROWLINSON CONSTRUCTIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	<u>1996</u> £	<u>1995</u> £
TURNOVER (Note 1)	7,588,995	8,647,469
Cost of sales	<u>(6,467,216)</u>	<u>(7,632,492)</u>
GROSS PROFIT	1,121,779	1,014,977
Administrative expenses	<u>(611,700)</u>	<u>(577,400)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 2)	510,079	437,577
Taxation (Note 4)	<u>(171,675)</u>	<u>(141,154)</u>
PROFIT RETAINED FOR THE YEAR (Note 8)	<u>338,404</u>	<u>296,423</u>

There were no recognised gains or losses for the year other than the profit shown above.

The profits shown above are on an historical cost basis.

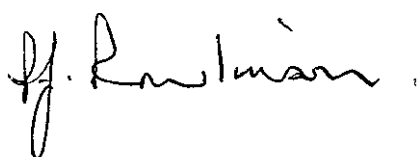
ROWLINSON CONSTRUCTIONS LIMITED

BALANCE SHEET - 31 MARCH 1996

	<u>1996</u> £	<u>1995</u> £
CURRENT ASSETS		
Debtors (Note 5)	2,514,400	1,959,254
CREDITORS: Amounts falling due within one year (Note 6)	<u>(1,215,693)</u>	<u>(998,951)</u>
NET CURRENT ASSETS	<u>1,298,707</u>	<u>960,303</u>
CAPITAL AND RESERVES		
Called up share capital (Note 7)	1,000	1,000
Profit and loss account (Note 8)	<u>1,297,707</u>	<u>959,303</u>
EQUITY SHAREHOLDERS' FUNDS	<u>1,298,707</u>	<u>960,303</u>

There were no movements in shareholders' funds during the year other than the profit for the year.

The financial statements were approved by the Board on 6 September 1996 and signed on their behalf by:



Peter James Rowlinson
DIRECTOR

ROWLINSON CONSTRUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Stock and work in progress

Stock of land for development is included at acquisition cost or net realisable value whichever is the lower. Net realisable value for this purpose is estimated selling value less estimated selling costs.

Contract building work in progress is valued at cost or net realisable value, whichever is the lower. Cost for this purpose includes all direct costs as defined below and, where appropriate, attributable finance charges. Cost includes direct labour and materials, work done by sub-contractors, hire of plant and equipment used on contract sites, and all overheads except those relating to administration. Net realisable value for this purpose is estimated selling value less costs to completion including selling costs.

(c) Long term contracts - profit recognition

Long term contracts are those extending in excess of 12 months and any of a shorter duration which are material to the activity of the period.

Attributable profit is recognised once the outcome of a long term contract can be assessed with reasonable certainty. Attributable profit is recognised on the cost percentage complete method. Immediate provision is made for all foreseeable losses if a contract is assessed as unprofitable.

(d) Pensions

The company operates a defined contribution pension scheme to provide retirement benefits for certain employees. Contributions are charged as an expense in the year they are incurred.

(e) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation only to the extent that it is probable that the tax will become payable. The provision is made at the rate at which it is estimated the tax will be paid.

(f) Turnover

Turnover represents work done in respect of contract building work carried out during the year, and proceeds from land sales.

ROWLINSON CONSTRUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996 (CONTINUED)

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1996</u>	<u>1995</u>
	£	£
The profit on ordinary activities before taxation is stated after charging:		
Hire of plant and machinery	255,262	323,585
Auditors' remuneration	-	-
	<u> </u>	<u> </u>

The audit fee for the Rowlinson Securities PLC group is borne by one member of the group and is recharged by way of the management charge.

3 STAFF COSTS

The average number of employees in each week during the year was:

	<u>1996</u>	<u>1995</u>
	Number	Number
Construction and development work	50	51
	<u> </u>	<u> </u>

Their remuneration during the year was:	£	£
Wages and salaries	612,513	551,010
Social security costs	<u>47,579</u>	<u>43,653</u>
	660,092	594,663
	<u> </u>	<u> </u>

Salaried site staff, administration staff and directors are paid by a related company. Their costs are recharged to the company by means of a direct recharge for site staff and management charges. In the year this recharge included emoluments of a director who is not a director of the parent company of £46,697 (1995 - £41,163).

ROWLINSON CONSTRUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996 (CONTINUED)

4 TAXATION

Corporation tax has been calculated at 33% (1995 - 33%)

The taxation charge for the year comprises:

	<u>1996</u>	<u>1995</u>
	£	£
Corporation tax on the profit for the year	173,276	144,401
Corporation tax adjustment in respect of prior year	<u>(1,601)</u>	<u>(3,247)</u>
	171,675	141,154
	<u> </u>	<u> </u>

5 DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Amounts recoverable under long term contracts	785,500	985,200
Amounts owed by fellow subsidiary companies	<u>1,728,900</u>	<u>974,054</u>
	2,514,400	1,959,254
	<u> </u>	<u> </u>

6 CREDITORS: Amounts falling due within one year

	<u>1996</u>	<u>1995</u>
	£	£
Amounts owed by ultimate parent company	45,557	45,557
Amounts owed by fellow subsidiary companies	146,560	8,693
Corporation tax	173,276	144,401
Accruals and deferred income	<u>850,300</u>	<u>800,300</u>
	1,215,693	998,951
	<u> </u>	<u> </u>

ROWLINSON CONSTRUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996 (CONTINUED)

7 SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Authorised, issued and fully paid		
Ordinary Shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

8 PROFIT AND LOSS ACCOUNT

	£
As at 1 April 1995	959,303
Profit for the year	<u>338,404</u>
As at 31 March 1996	<u>1,297,707</u>

9 COMMITMENTS AND GUARANTEES

At 31 March 1996 there existed performance bonds and similar agreements entered into in the normal course of business.

10 ULTIMATE PARENT COMPANY

The ultimate parent company is Rowlinson Securities PLC, which is registered in England. Rowlinson Securities PLC is the only company to consolidate the accounts of Rowlinson Constructions Limited and copies of the Group accounts of Rowlinson Securities PLC can be obtained from The Registrar of Companies, Companies House, Cardiff, CF4 3UZ.