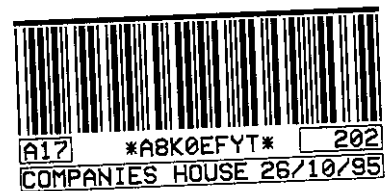


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REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1994
FOR
SANDHAVEN LIMITED



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for the year ended 31 December 1994

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SANDHAVEN LIMITED

COMPANY INFORMATION

for the year ended 31 December 1994

DIRECTOR: Mrs S Selman-Angel

SECRETARY: B Angel

REGISTERED OFFICE: 50 Sheldon Avenue
Highgate
London
N6 4ND

REGISTERED NUMBER: 02652603 (England and Wales)

AUDITORS: Elliotts
Registered Auditors
Centre Heights
137 Finchley Road
London NW3 6JG

SANDHAVEN LIMITED

REPORT OF THE DIRECTOR

for the year ended 31 December 1994

The director presents her report with the financial statements of the company for the year ended 31 December 1994.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Property Development.

DIRECTOR

Mrs S Selman-Angel was the sole director during the year under review.

Her beneficial interest in the issued share capital of the company was as follows:

	31.12.94	1.1.94
Ordinary £1 shares	1	1

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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, Elliotts, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

In preparing this report, the director has taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

ON BEHALF OF THE BOARD:

Secretary ... *B. Angel* ...

B Angel

Dated: 12-10-95

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
SANDHAVEN LIMITED

We have audited the financial statements on pages four to eight which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of director and auditors

As described on page two the company's director is 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.

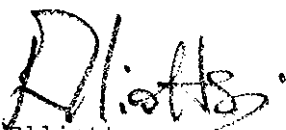
Basis of opinion

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 judgments made by the director 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 as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


Elliotts
Registered Auditors
Centre Heights
137 Finchley Road
London NW3 6JG

Dated: 25/10/95.

SANDHAVEN LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1994

		1994	1993
	Notes	£	£
TURNOVER		-	-
Administrative expenses		613	-
		(613)	-
Other operating income	2	14,500	-
OPERATING PROFIT	3	13,887	-
Interest payable and similar charges		8,881	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,006	-
Tax on profit on ordinary activities		1,252	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		3,754	-
RETAINED PROFIT CARRIED FORWARD		£3,754	-

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year.

SANDHAVEN LIMITED

BALANCE SHEET
31 December 1994

		1994	1993
	Notes	£	£
CURRENT ASSETS:			
Stocks	4	754,067	-
Debtors	5	37,206	-
Cash at bank and in hand		1,345	2
		<u>792,618</u>	<u>2</u>
CREDITORS: Amounts falling due within one year	6	788,862	-
NET CURRENT ASSETS:		<u>3,756</u>	<u>2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£3,756</u>	<u>£2</u>
CAPITAL AND RESERVES:			
Called up share capital	8	2	2
Profit & loss account		3,754	-
Shareholders' funds	9	<u>£3,756</u>	<u>£2</u>

In preparing these financial statements, the director has taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The director has done so on the grounds that, in her opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



 Mrs S Selman-Angel - DIRECTOR

Approved by the Board on12-10-95.....

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Stock

Properties held for development and resale are stated at the lower of cost and net realisable value. Cost comprises purchase price, acquisition and development costs but excludes interest, which is written off to the profit and loss account as incurred. Acquisitions are recognised on completion of contracts.

2. OTHER OPERATING INCOME

	1994	1993
	£	£
Rents received	14,500	-
	<u>14,500</u>	<u>-</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	1994	1993
	£	£
Auditors' remuneration	500	-
	<u>500</u>	<u>-</u>
Director's emoluments	-	-
	<u>-</u>	<u>-</u>

4. STOCKS

	1994	1993
	£	£
Stock	754,067	-
	<u>754,067</u>	<u>-</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994	1993
	£	£
Trade Debtors	14,500	-
Prepayments	17,301	-
Other taxes	5,405	-
	<u>37,206</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	1994 £	1993 £
Bank loans and overdrafts (see note 7)	367,446	-
Directors Current Accounts	926	-
Other Creditors	402,742	-
Amount due to related company	13,960	-
Taxation	1,252	-
Accrued expenses	2,536	-
	<u>788,862</u>	<u>-</u>

7. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1994 £	1993 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>367,446</u>	<u>-</u>

8. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	1994 £	1993 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	1994 £	1993 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

SANDHAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994	1993
	£	£
Profit for the financial year	3,754	-
Share capital	-	2
NET ADDITION TO SHAREHOLDERS' FUNDS	3,754	2
Opening shareholders' funds	2	-
CLOSING SHAREHOLDERS' FUNDS	3,756	2
Equity interests	3,756	2