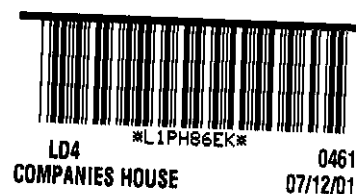




RAVEN RESIDENTIAL INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2001



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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RAVEN RESIDENTIAL INVESTMENTS LIMITED

CONTENTS

	Page
Directors' report	1
Auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 8

RAVEN RESIDENTIAL INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2001

The directors present their report and financial statements for the year ended 30 April 2001.

Principal activities and review of the business

The principal activity of the company during the year was that of property and share investment.

Results and dividends

The results for the year are set out on page 4.

A dividend of £700,000 was paid in respect of the year (2000-£Nil).

Directors

The following directors have held office since 29 April 2000:

A.J.G. Bilton	(Resigned 4 August 2000)
Raven Close Nominees Limited	(Appointed 4 August 2000)
B.S. Sandhu	(Resigned 4 August 2000)
Raven Management Services Limited	(Appointed 4 August 2000)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 April 2001	29 April 2000
Raven Close Nominees Limited	-	-
Raven Management Services Limited	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.


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 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

On behalf of the board



For and on behalf of Raven Close Nominees Limited

B.S. Sandhu

Director

16 October 2001

RAVEN RESIDENTIAL INVESTMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF RAVEN RESIDENTIAL INVESTMENTS LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 as at 30 April 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

16 October 2001

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

RAVEN RESIDENTIAL INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2001

	Notes	2001 £	2000 £
Profit on fixed asset investments		-	592,049
Administrative expenses		(12,137)	-
Other interest receivable and similar income		16,250	37,197
Interest payable and similar charges	2	(36,350)	-
(Loss)/profit on ordinary activities before taxation		(32,237)	629,246
Tax on (loss)/profit on ordinary activities	3	105,705	(213,689)
Profit on ordinary activities after taxation		73,468	415,557
Dividends	4	(700,000)	-
Retained (loss)/profit for the year		(626,532)	415,557

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Note of historical cost profits and losses

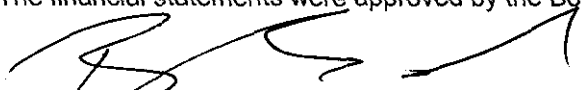
	2001 £	2000 £
Reported (loss)/profit on ordinary activities before taxation	(32,237)	629,246
Realisation of property revaluation gains of previous years	-	138,461
Historical cost (loss)/profit on ordinary activities before taxation	(32,237)	767,707
Historical cost (loss)/profit for the year retained after taxation and dividends	(626,532)	554,018

RAVEN RESIDENTIAL INVESTMENTS LIMITED

BALANCE SHEET AS AT 30 APRIL 2001

	Notes	2001 £	2000 £
Fixed assets			
Investments	5	1	502
Current assets			
Debtors	6	1,235,125	1,192,660
Cash at bank and in hand		260	260
		<u>1,235,385</u>	<u>1,192,920</u>
Creditors: amounts falling due within one year	7	<u>(1,033,601)</u>	<u>(365,105)</u>
Net current assets		<u>201,784</u>	<u>827,815</u>
Total assets less current liabilities		<u><u>201,785</u></u>	<u><u>828,317</u></u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		<u>201,685</u>	<u>828,217</u>
Shareholders' funds - equity interests	9	<u><u>201,785</u></u>	<u><u>828,317</u></u>

The financial statements were approved by the Board on 16 October 2001


For and on behalf of Raven Close Nominees Limited
B.S. Sandhu
Director

RAVEN RESIDENTIAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Investments

Listed investments held as fixed assets are included in the financial statements at their market value. Surpluses or deficits arising on periodic revaluation of listed investments are transferred to revaluation reserve.

Unlisted investments are included in the financial statements at cost less provision for any permanent diminution in value.

2 Interest payable	2001	2000
	£	£
On overdue tax	2,925	-
Other interest	33,425	-
	<u>36,350</u>	<u>-</u>
3 Taxation	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 0% (2000 - 30%)	-	188,774
Deferred taxation	-	(42,923)
	<u>-</u>	<u>145,851</u>
Prior years		
U.K. corporation tax	(105,705)	67,838
	<u>(105,705)</u>	<u>213,689</u>
4 Dividends	2001	2000
	£	£
Ordinary interim paid	<u>700,000</u>	<u>-</u>

RAVEN RESIDENTIAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2001

5 Fixed asset investments

	Unlisted investments	Shares in participating interests	Total
	£	£	£
Cost			
At 29 April 2000	502	-	502
Additions	-	1	1
Disposals	(502)	-	(502)
	<u> </u>	<u> </u>	<u> </u>
At 30 April 2001	-	1	1
	<u> </u>	<u> </u>	<u> </u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Participating interests			
Raven Hercules Limited	England	Ordinary	50

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Raven Hercules Limited	(16,019)	(16,021)
	<u> </u>	<u> </u>

6 Debtors

	2001 £	2000 £
Amounts owed by parent and fellow subsidiary undertakings	1,214,099	679,185
Other debtors	21,026	513,475
	<u> </u>	<u> </u>
	1,235,125	1,192,660
	<u> </u>	<u> </u>

RAVEN RESIDENTIAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2001

7	Creditors: amounts falling due within one year	2001 £	2000 £
	Amounts owed to parent and fellow subsidiary undertakings	1,013,964	130,800
	Corporation tax	-	216,711
	Other taxes and social security costs	5,925	3,406
	Other creditors	4,069	4,068
	Accruals and deferred income	9,643	10,120
		<u>1,033,601</u>	<u>365,105</u>

8	Share capital	2001 £	2000 £
	Authorised		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

9	Reconciliation of movements in shareholders' funds	2001 £	2000 £
	Profit for the financial year	73,468	415,557
	Dividends	(700,000)	-
	Net (depletion in)/addition to shareholders' funds	(626,532)	415,557
	Opening shareholders' funds	<u>828,317</u>	<u>412,760</u>
	Closing shareholders' funds	<u>201,785</u>	<u>828,317</u>

10 Employees

Number of employees

There were no employees during the year apart from the directors.

11 Control

The ultimate holding company is The Raven Property Group Plc.

Throughout the year the company and its holding company were controlled by A.J.G. Bilton.

RAVEN RESIDENTIAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2001

12 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.