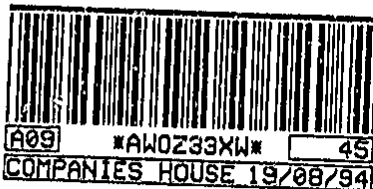


DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolle Limited)
(Registered Number 2806007)

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1993



DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolite Limited)

DIRECTORS' REPORT FOR THE PERIOD ENDED
31 DECEMBER 1993

The directors have pleasure in submitting their report and accounts for the period from incorporation to 31 December 1993.

ACTIVITY

The principal activity of the company during the period was that of a residential housing developer.

REVIEW OF THE BUSINESS

The company was incorporated on 24 March 1993 and changed its name to Dean & Bowes (Homes) Limited on 24 May 1993. The company began trading on 28 June 1993.

Share capital with a nominal value of £1,000 was allotted during the period for consideration totalling £5,000. Details are given in note 7 to the accounts.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation was £5,009 and the directors propose a dividend of £5,000.

The directors believe the result to be a satisfactory start to the company's trade and expect the turnover to increase and the profitable position to continue.

DIRECTORS

The directors who held office during the period were as follows:

| | |
|-------------------|--|
| M Womack | (appointed on incorporation and resigned 28 June 1993) |
| G Fitzsimons | (appointed on incorporation and resigned 28 June 1993) |
| S Dean - Chairman | (appointed 28 June 1993) |
| P Holmes | (appointed 28 June 1993) |
| G Bell | (appointed 28 June 1993, resigned 21 September 1993) |

DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolite Limited)

DIRECTORS' REPORT FOR THE PERIOD ENDED
31 DECEMBER 1993

DIRECTORS (CONTINUED)

The interests of the directors in the share capital of the company as at 31 December 1993 are as follows:

| | <u>Number</u> |
|----------|---------------|
| S Dean | 990 |
| P Holmes | - |
| G Bell | - |

The shares held by Mr S Dean were acquired at the date of his appointment.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolite Limited)

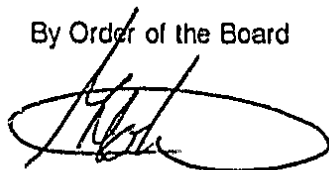
DIRECTORS' REPORT FOR THE PERIOD ENDED
31 DECEMBER 1993

DIRECTORS (CONTINUED)

AUDITORS

Price Waterhouse who were appointed as auditors during the period have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to be 'P Holmes', is written over a large, horizontal oval shape.

P HOLMES
Secretary
29 July 1994

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF DEAN & BOWES (HOMES) LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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 judgments 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 31 December 1993 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
and Registered Auditors

29 July 1994

DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolite Limited)

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 1993

| | 6 months to <u>31 December</u> <u>1993</u> £ |
|--|---|
| TURNOVER | 76,920 |
| Cost of sales | <u>(67,920)</u> |
| GROSS PROFIT | 9,000 |
| Administrative expenses | <u>(2,505)</u> |
| OPERATING PROFIT (Note 2) | 6,495 |
| Other income | <u>50</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 6,545 |
| Taxation (Note 3) | <u>(1,536)</u> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | 5,009 |
| Dividends | <u>(5,000)</u> |
| AMOUNT TRANSFERRED TO RESERVES | <u>9</u> |

All recognised gains and losses are included within the profit and loss account. There are no differences between the profits disclosed in the profit and loss account and the result on an unmodified historical cost basis.

All activities of the company are continuing.

The notes on pages 7 to 9 form part of these accounts.

DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolite Limited)

BALANCE SHEET - 31 DECEMBER 1993

| | <u>1993</u> £ |
|---|------------------|
| CURRENT ASSETS | |
| Stock (Note 4) | 89,982 |
| Debtors (Note 5) | <u>219,225</u> |
| | 309,207 |
| CREDITORS - Amounts falling due within one year (Note 6) | (304,198) |
| | <hr/> |
| NET CURRENT ASSETS | 5,009 |
| | <hr/> |
| CAPITAL AND RESERVES | |
| Called up share capital (Note 7) | 1,000 |
| Share premium account (Note 8) | 4,000 |
| Profit and loss account | <u>9</u> |
| | 5,009 |
| | <hr/> |

APPROVED BY THE BOARD ON
29 July 1994


S Dean
DIRECTOR

The notes on pages 7 to 9 form part of these accounts.

DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolite Limited)

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993

1 ACCOUNTING POLICIES

The following accounting policies have been adopted by the company.

(a) Accounting Convention

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

(b) Turnover

Turnover represents the amount of goods sold, stated net of value added tax. Turnover is attributable to the principal activity of the company and arises in the UK.

(c) Stocks

Stocks are stated at the lower of cost and net realisable value.

(d) Cash Flow

The company has taken advantage of the exemption not to prepare a cash flow statement as it is classed as a small company under section 246 of the Companies Act 1985.

2 OPERATING PROFIT

| | |
|--|-------------|
| Operating profit is stated after charging: | <u>1993</u> |
| | £ |
| Auditors' remuneration | 1,000 |
| | <hr/> |

The company did not trade during the period from incorporation to 28 June 1993.

The company has no employees, other than the directors who did not receive any remuneration in respect of their services to the company.

3 TAXATION

| | |
|--|-------------|
| | <u>1993</u> |
| Corporation tax charge at 25% based on the result for the period | 1,536 |
| | <hr/> |

DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolite Limited)

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993 (CONTINUED)

4 STOCKS

| | <u>1993</u> £ |
|------------------|------------------|
| Development land | 89,982 |

The development land was transferred to this company at original cost, from Dean & Bowes Limited, a company in which Mr S Dean has an interest. The construction costs are being collated and recharged to this company by Dean & Bowes (Contracts) Limited, a wholly owned subsidiary of Dean & Bowes Limited. A charge is made for administration.

5 DEBTORS

| | <u>1993</u> £ |
|--|------------------|
| Trade debtors | 69,225 |
| Amounts owed by fellow group undertaking | <u>150,000</u> |
| | <u>219,225</u> |

6 CREDITORS - Amounts falling due within one year

| | <u>1993</u> £ |
|---|------------------|
| Other loans | 189,500 |
| Bank overdraft | 45,490 |
| Dividends | 5,000 |
| Corporation tax | 1,536 |
| Other creditors | 57,672 |
| Amount owed to fellow group undertaking | <u>5,000</u> |
| | <u>304,198</u> |

The overdraft is secured by a fixed and floating charge over the company's assets.

Other loans represents a loan made by the Chairman, S Dean to the company which is interest free and has no fixed repayment terms.

DEAN & BOWES (HOMES) LIMITED
(Formerly Ichnolite Limited)

NOTES TO THE ACCOUNTS - 31 DECEMBER 1993 (CONTINUED)

7 SHARE CAPITAL

| | <u>1993</u> |
|--------------------------------------|-------------|
| Authorised, allotted and fully paid: | |
| | £ |
| Ordinary shares | 1,000 |

Ordinary shares were issued for consideration of £5,000 during the period. Two ordinary shares were issued on incorporation and 998 on 28 June 1993 to provide the company with working capital.

8 SHARE PREMIUM

The share premium arose on the issue of the ordinary shares during the period.

9 RECONCILIATION OF SHAREHOLDERS FUNDS

| | £ |
|---|----------------|
| Ordinary shares issued during the period | 5,000 |
| Profit for the period | 5,009 |
| Dividends | <u>(5,000)</u> |
| Shareholders funds as at 31 December 1993 | <u>5,009</u> |