

BEDE INVESTMENT PROPERTIES LIMITED
(Formerly Lawgra (No.225) Limited)

DIRECTORS' REPORT AND ACCOUNTS
FOR THE PERIOD FROM 12 NOVEMBER 1993
TO 31ST DECEMBER 1994

Company Number: 2871100



BEDE INVESTMENT PROPERTIES LIMITED
(Formerly Lawgra (No.225) Limited)

Directors: David W Simpson
Des F Clarke

DIRECTORS' REPORT

The directors submit their report and the accounts for the period ended 31st December 1994.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss for its financial year. In doing so the directors are required to :

- select suitable accounting policies and apply them consistently
- make judgements 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 accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company are the management and development of investment properties. The directors are satisfied with the results during this first period and consider that the financial position of the company is satisfactory.

INCORPORATION

The company was incorporated on 12th November 1993 under the name of Lawgra (No.225) Limited. The company changed its name on 7th January 1994 to Bede Investment Properties Limited and commenced trade on 1st February 1994.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £22,000.

In view of the company's current and future requirements for the maintenance and development of its business, the directors do not recommend that a dividend be declared but that the balance on the profit and loss account be carried forward.

BEDE INVESTMENT PROPERTIES LIMITED
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DIRECTORS' REPORT (continued)

SHARE CAPITAL

During the year the company allotted 98 ordinary f1 shares at par for cash, as shown in note 12.

DIRECTORS AND INTERESTS IN SHARES

The names of the present directors are given at the head of this report.

The number of shares in the company in which the directors had a beneficial interest, as defined by the Companies Act 1985 was as follows:

	Ordinary shares of f1 each	
	31st December 1994	On appointment
D W Simpson	49	49
D F Clarke	49	49

Mr N S Turner was appointed as first director on incorporation, and resigned on 10th December 1993. On the same day D W Simpson and D F Clarke were appointed directors.

FIXED ASSETS

Tangible fixed assets purchased in this first period of trading are shown in note 8.

AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Moores Rowland as auditors to the company for the ensuing year.

By order of the board



D F Clarke
Secretary

Registered office:

104 Bellegrave Road
Welling
Kent
DA16 3OD

**AUDITORS' REPORT TO THE MEMBERS OF
BEDE INVESTMENT PROPERTIES LIMITED
(Formerly Lawgra (No.225) Limited)**

We have audited the accounts set out on pages 4 to 11.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility as auditors to form an independent opinion, based on our audit, on those accounts 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 the examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st December 1994 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


MOORES ROWLAND

Chartered Accountants
Registered Auditors

London 11 September 1995.

BEDE INVESTMENT PROPERTIES LIMITED
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PROFIT AND LOSS ACCOUNT

Period ended 31st December 1994

	Note	1994 £'000
TURNOVER		1,699
Cost of sales		443
GROSS PROFIT		<u>1,256</u>
Administrative expenses		480
OPERATING PROFIT		<u>776</u>
Interest receivable	2	11
		<u>787</u>
Interest payable	3	738
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>49</u>
Tax on profit on ordinary activities	6	27
RETAINED PROFIT CARRIED FORWARD		<u><u>22</u></u>

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the profit for the period.

BEDE INVESTMENT PROPERTIES LIMITED
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BALANCE SHEET

As at 31st December 1994

	Note	£'000	1994 £'000
FIXED ASSETS			
Tangible assets	8		12,429
CURRENT ASSETS			
Debtors	9	339	
Cash at bank and in hand		377	
		<hr/> 716	
CREDITORS - amounts falling due within one year	10	723	
		<hr/>	
NET CURRENT LIABILITIES			(7)
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/> 12,422
CREDITORS - amounts falling due after more than one year	11		12,400
			<hr/>
TOTAL NET ASSETS			<hr/> <hr/> 22
CAPITAL AND RESERVES			
Called up share capital	12		-
Profit and loss account			22
			<hr/> 22
			<hr/> <hr/>

Approved by the board on 8TH SEPTEMBER 1995

D F Clarke
D F Clarke Director

D W Simpson
D W Simpson Director

BEDE INVESTMENT PROPERTIES LIMITED
(formerly Lawgra (No.225) Limited)

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards.

A summary of the more important accounting policies, which have been consistently applied, is given below:

Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain freehold and leasehold properties.

Turnover

Turnover represents gross rental and service charge income from freehold and leasehold investment properties in the United Kingdom, excluding value added tax.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than investment properties, so as to write them off over their anticipated useful lives at the following annual rates on a straight line basis:

Fixtures and fittings	- 20%
Plant and equipment	- 20%
Motor vehicles	- 25%

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold or leasehold investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. These properties are held for investment and the directors consider that annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

Operating leases

Rentals under operating leases are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is calculated using the liability method and provision is made to the extent that it is probable that such tax will become payable in the foreseeable future.

BEDE INVESTMENT PROPERTIES LIMITED
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NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

Excess service charges

At the end of each calendar year a demand for excess service charges payable by the tenants is made where rechargeable expenses under property leases exceed interim demands made to tenants during the year. These demands can only be calculated after the company's year end date, and the directors consider it prudent to account for these on a cash received basis. At 31st December 1994 £52,000 was chargeable to tenants by the company in respect of excess service charges for the period ended on that date.

2. INTEREST RECEIVABLE

	1994 £'000
Bank interest receivable	11
	<u>11</u>

3. INTEREST PAYABLE

	1994 £'000
On bank loans and overdrafts wholly repayable within five years	738
	<u>738</u>

Loan interest of £154,500 accrued on part of the outstanding bank loan at 31st December 1994 has not been charged in the accounts. This interest is a contingent liability, only payable on the maturity of the loan or the disposal of the company's properties. As such it is not practicable to quantify the amount of interest which may become chargeable in the accounts.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	1994 £'000
Loss on disposal of fixed assets	7
Depreciation of fixed assets	7
Auditors' remuneration	15
Hire of plant and equipment	1
	<u>30</u>

BEDE INVESTMENT PROPERTIES LIMITED
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NOTES TO THE ACCOUNTS (continued)

5. DIRECTORS AND OTHER EMPLOYEES

Staff costs include the following:

	1994 £'000
Wages and salaries	175
Social security costs	18
	<u>193</u>

The average number of employees in the period, including the directors, was 21.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1994 £'000
Based on the profit for the period:	
Corporation tax at 25%	27
	<u>27</u>

7. DIRECTORS' INTERESTS IN TRANSACTIONS

Under a management agreement certain fees and incentive payments are payable to St Helena Limited, a company jointly owned by Mr D F Clarke and Mr D W Simpson. Included in the accounts for the period is a charge of £144,000.

In addition a further cash consideration, calculated by reference to any disposal proceeds, may be payable to St Helena Limited in the event of a sale of the company's properties. These payments cannot be quantified at the balance sheet date.

BEDE INVESTMENT PROPERTIES LIMITED
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NOTES TO THE ACCOUNTS (continued)

8. TANGIBLE FIXED ASSETS

	Investment properties £'000	Fixtures and fittings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost:					
Additions	12,363	7	52	25	12,447
Disposals	-	-	(5)	(6)	(11)
31st December 1994	<u>12,363</u>	<u>7</u>	<u>47</u>	<u>19</u>	<u>12,436</u>
Depreciation:					
Charge for period	-	1	4	2	7
31st December 1994	<u>-</u>	<u>1</u>	<u>4</u>	<u>2</u>	<u>7</u>
Net book value					
31st December 1994	<u>12,363</u>	<u>6</u>	<u>43</u>	<u>17</u>	<u>12,429</u>

The net book value of investment properties comprises:

	1994 £'000
Freehold	12,113
Long leasehold	250
	<u>12,363</u>

The directors consider that the carrying value of the investment properties is not significantly different to their open market value.

9. DEBTORS

	1994 £'000
Trade debtors	336
Other debtors	3
	<u>339</u>

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NOTES TO THE ACCOUNTS (continued)

10. CREDITORS - amounts falling due within one year

	1994 £'000
Trade creditors	23
Taxation and social security	158
Accruals	107
Deferred income	435
	<u>723</u>

11. CREDITORS - amounts falling due after more than one year

	1994 £'000
Bank loans - repayable within five years	12,400

The loans are secured by a charge on the investment properties and by a debenture over the other assets of the company.

12. CALLED UP SHARE CAPITAL

	1994 £
Authorised:	
10,000 ordinary shares of £1 each	10,000
Allotted and fully paid:	
98 ordinary shares of £1 each	98

During the period the company allotted 98 ordinary shares of £1 each at par in order to provide the company with initial working capital.

Boston Holdings Limited have an option to subscribe for 2% of the issued share capital at par value, expiring on the earlier of 1 December 1998 or on settlement of all obligations of the company to The First National Bank of Boston.

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NOTES TO THE ACCOUNTS (continued)

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1994 £'000
Profit for the financial period	22
Share capital issued in the period	-
Addition to shareholders' funds in period	<u>22</u>
Opening shareholders' funds	-
Closing shareholders' funds	<u><u>22</u></u>

14. CAPITAL COMMITMENTS

	1994 £'000
Details of capital commitments at the balance sheet date are as follows:-	
Authorised and contracted for	-
Authorised but not contracted for	8
	<u>8</u>

15. FINANCIAL COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings £'000
Expiry date:	
Within one year	-
Between one and five years	20
After five years	11
	<u>31</u>