

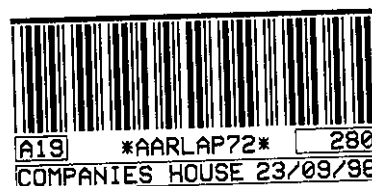
REGISTRAR OF COMPANIES

BEDE INVESTMENT PROPERTIES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1995

Company Number 2871100



BEDE INVESTMENT PROPERTIES LIMITED

Directors: D.W. Simpson
D.F. Clarke

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31 December 1995.

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or 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 pleased with the results during the year and consider that the financial position of the company is satisfactory.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £83,000 (1994 £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

DIRECTORS' REPORT (continued)

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 £1 each	
	31 December 1995	31 December 1994
D.W. Simpson	49	49
D.F. Clarke	49	49

FIXED ASSETS

Tangible fixed assets purchased and disposed of during the year 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 Bellegrove Road
Welling
Kent
DA16 3OD

30 May 1996

AUDITORS' REPORT TO THE MEMBERS OF
BEDE INVESTMENT PROPERTIES LIMITED

We have audited the accounts on pages 4 to 11.

Respective responsibilities of directors and auditors

As described in the directors' report 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 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 that 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 the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MOORES ROWLAND
Chartered Accountants
Registered Auditors

London

31 May 1996

BEDE INVESTMENT PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 1995

		1995	11 months to 31st December 1994
	Note	£'000	£'000
TURNOVER		2,106	1,699
Cost of sales		470	443
GROSS PROFIT		1,636	1,256
Administrative expenses		563	480
OPERATING PROFIT		1,073	776
Interest receivable	2	20	11
		1,093	787
Interest payable	3	950	738
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	143	49
Tax on profit on ordinary activities	6	60	27
PROFIT FOR THE FINANCIAL YEAR		83	22
Retained profit brought forward		22	—
RETAINED PROFIT CARRIED FORWARD		105	22

All disclosures relate only to continuing operations.

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


BEDE INVESTMENT PROPERTIES LIMITED

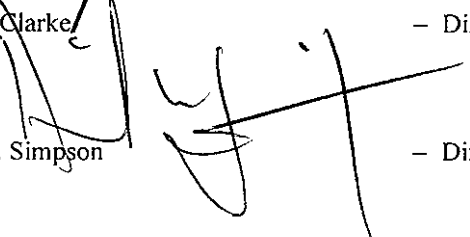
BALANCE SHEET

As at 31 December 1995

	Note	£'000	1995 £'000	1994 £'000
FIXED ASSETS				
Tangible assets	8		12,366	12,429
CURRENT ASSETS				
Debtors	9	428		339
Cash at bank and in hand		390		377
		<u>818</u>		<u>716</u>
CREDITORS – amounts falling due within one year	10	794		723
NET CURRENT ASSETS/(LIABILITIES)			24	(7)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,390</u>	<u>12,422</u>
CREDITORS – amounts falling due after more than one year	11		12,285	12,400
TOTAL NET ASSETS			<u>105</u>	<u>22</u>
CAPITAL AND RESERVES				
Called up share capital	12		–	–
Profit and loss account			105	22
SHAREHOLDER'S FUNDS	13		<u>105</u>	<u>22</u>

Approved by the board on 30 May 1996


 D.F. Clarke – Director


 D.W. Simpson – Director

BEDE INVESTMENT PROPERTIES 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 and in accordance with applicable accounting standards.

Turnover

Turnover represents the amounts receivable from customers for goods sold and services provided, excluding value added tax.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets other than freehold land and 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 periodically revalued 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.

BEDE-INVESTMENT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

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.

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 31 December 1995 £136,000 (1994 – £52,000) was chargeable to tenants by the company in respect of excess service charges for the year ended on that date.

2. INTEREST RECEIVABLE

	1995 £'000	1994 £'000
Bank interest receivable	<u>20</u>	<u>11</u>

3. INTEREST PAYABLE

	1995 £'000	1994 £'000
On bank loans wholly repayable within five years	<u>950</u>	<u>738</u>

Total interest of £334,000 (1994 – £154,500) accrued on part of the outstanding bank loan at 31 December 1995 has not been charged in the accounts. Of this, £179,500 relates to the year ended 31 December 1995 (1994 – £154,500). 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.

BEDE INVESTMENT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before
taxation is stated after charging/(crediting):

	1995 £'000	1994 £'000
Auditors' remuneration	15	15
Depreciation of fixed assets	18	7
(Profit)/loss on disposal of fixed assets	—	7
Hire of plant and equipment	—	1
	<u> </u>	<u> </u>

5. DIRECTORS AND OTHER EMPLOYEES

Staff costs include the following:

	1995 £'000	1994 £'000
Wages and salaries	219	175
Social security costs	24	18
	<u> </u>	<u> </u>
	243	193
	<u> </u>	<u> </u>

The average weekly number of persons employed in the year, including directors, was 20 (1994 21).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £'000	1994 £'000
Based on the profit for the year:		
Corporation tax at 25% (1994 25%)	60	27
	<u> </u>	<u> </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 year is a charge of £157,000.

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

NOTES TO THE ACCOUNTS (continued)

8. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Fixtures and fittings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost:					
At 1 January 1995	12,363	7	47	19	12,436
Additions	41	—	20	9	70
Disposals	(115)	—	—	—	(115)
At 31 December 1995	12,289	7	67	28	12,391
Depreciation:					
At 1 January 1995	—	1	4	2	7
Charge for year	—	1	11	6	18
At 31 December 1995	—	2	15	8	25
Net book value at 31 December 1995	12,289	5	52	20	12,366
Net book value at 31 December 1994	12,363	6	43	17	12,429

The net book values of land and buildings comprises:

	1995 £'000	1994 £'000
Freehold	12,039	12,113
Long leasehold	250	250
	12,289	12,363

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

9. DEBTORS

	1995 £'000	1994 £'000
Trade debtors	428	336
Other debtors	—	3
	428	339

BEDF INVESTMENT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

10. CREDITORS – amounts falling due within one year

	1995 £'000	1994 £'000
Trade creditors	8	23
Taxation and social security	180	158
Accruals and deferred income	606	542
	<u>794</u>	<u>723</u>

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

	1995 £'000	1994 £'000
Bank loans repayable in five years	<u>12,285</u>	<u>12,400</u>

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

	1995 £	1994 £
Authorised: 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid: 98 ordinary shares of £1 each	<u>98</u>	<u>98</u>

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.

BEDE INVESTMENT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £'000	1994 £'000
Profit for the financial year	83	22
New share capital subscribed	—	—
	<u>83</u>	<u>22</u>
Net addition to shareholders' funds	83	22
Opening shareholders' funds	22	—
	<u>105</u>	<u>22</u>
Closing shareholders' funds	105	22