

Company Registration Number: 2899070

BECKWITH DEVELOPMENT CAPITAL LIMITED
(formerly PCP Development Capital Limited)

Directors' Report and Accounts
for the period ended
30 June 1995



BECKWITH DEVELOPMENT CAPITAL LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts for the period ended 30 June 1995.

Date of Incorporation and Change of Name

The Company was incorporated on 16 February 1994 as Aceptrade Limited. On 23 March 1994 the name of the Company was changed to PCP Development Capital Limited and on 12 September 1994 the name of the Company was changed to Beckwith Development Capital Limited.

Statement of 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:

- a) Select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed;
- d) prepare 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.

Review of the Business

As at 30 June 1995 the Company had not commenced trading although on 21 June 1995 it had acquired from Pacific Investments Limited a 25.1% interest in Riverside plc, a group specialising in the operation of sports and leisure centres. The principal activity of the Company is planned to be the management of a number of specialised development capital funds both in the UK and overseas.

In the opinion of the directors the financial position of the Company at the Balance Sheet date was satisfactory.

Share Capital

The movements in Share Capital during the period are set out in Note 8.

Fixed Assets

The movements in Fixed Assets during the period are set out in Note 5.

BECKWITH DEVELOPMENT CAPITAL LIMITED

DIRECTOR'S REPORT (continued)

Directors and their interests

The directors holding office during the period were as follows:

	<i>Date of Appointment</i>	<i>Date of Resignation</i>
Norton Rose Limited	16 February 1994	3 March 1994
Norose Limited	16 February 1994	3 March 1994
M J Lloyd-Williams	3 March 1994	7 March 1994
D Freeman	3 March 1994	7 March 1994
J L Beckwith	7 March 1994	
S C Laws	7 March 1994	
A G Palmer	7 March 1994	

None of the directors have any interests in the share capital of the Company other than by virtue of their interests in its holding company, Pacific Investments Limited, which are disclosed in the accounts of that company.

Auditors

Price Waterhouse were appointed auditors on 24 October 1995. A resolution to re-appoint Price Waterhouse as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



S C Laws

195 Knightsbridge
London
SW7 1RE

14 December 1995

AUDITOR'S REPORT TO THE SHAREHOLDERS
OF
BECKWITH DEVELOPMENT CAPITAL LIMITED

We have audited the financial statements on pages 4 to 6 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 an 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 June 1995 and of the result 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
Southwark Towers
32 London Bridge Street
London
SE1 9SY

14 December 1995

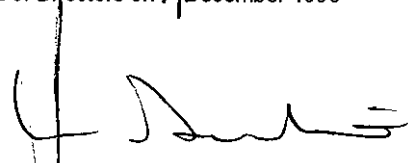
BECKWITH DEVELOPMENT CAPITAL LIMITED

Balance Sheet

as at 30 June 1995

	Note	£
FIXED ASSETS		
Investments	5	3,012,000
CURRENT ASSETS		
Debtors	6	1
CREDITORS (amounts due within one year)	7	(3,012,000)
NET CURRENT LIABILITIES		<u>(3,011,999)</u>
NET ASSETS		<u><u>1</u></u>
CAPITAL AND RESERVES		
Called up share capital	8	1
		<u><u>1</u></u>

The accounts were approved by the
Board of Directors on 14 December 1995


J.L. Beckwith

The notes on pages 5 and 6 form an integral part of these accounts.

BECKWITH DEVELOPMENT CAPITAL LIMITED

Notes to the Accounts for the period ended 30 June 1995

1. Accounting Policies

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

Investments - Investments are stated at cost less provision for any diminution in value.

Cash Flow Statement - The Company is exempt from the requirement to publish a cash flow statement as it is a wholly owned subsidiary undertaking of a UK company publishing a group cash flow statement.

2. Comparative Figures

The Company was incorporated on 16 February 1994 and this is the first period for which accounts have been prepared, therefore no comparative figures exist.

3. Profit and Loss Account

During the period, the Company did not trade and received no income and incurred no expenditure. Consequently, the Company made neither a profit nor a loss.

4. Administrative expenses

The Company's audit fee has been met by the holding company.

5. Investments

Investments comprise unlisted ordinary shares in Riverside plc at cost acquired during the period. The Company owns 25.1% of the issued ordinary and preference share capital of Riverside plc, a company registered in England and Wales. The principal activity of the company is the holding of shares in companies operating sports and leisure centres. The company's accounting reference period ends on 31 December.

Dividends from associated undertakings are accounted for when received.

6. Debtors

Debtors are analysed as follows:

	£
Amount due from holding company	1
	<hr/>
	<hr/>
	1

BECKWITH DEVELOPMENT CAPITAL LIMITED

Notes to the Accounts

for the period ended 30 June 1995

(continued)

7. Creditors (amounts due within one year)

Creditors due within one year are analysed as follows:

	£
Amount due to ultimate holding company	3,012,000
	<u>3,012,000</u>

8. Called up Share Capital

As at 30 June 1995 the authorised share capital of the Company comprised 100 ordinary shares of £1 of which one share had been issued as fully paid.

9. Holding Company

The Company's holding company is Beckwith Capital Partners PLC, a company registered in England and Wales. The Company's ultimate holding company is Pacific Investments Limited, a company registered in England and Wales, which is the smallest and largest group of which the Company is a member and for which group accounts are prepared. The consolidated accounts of that company can be obtained from the secretary at 195 Knightsbridge, London SW7 1RE.

The Company has an excess of current liabilities over current assets represented by a loan from the ultimate holding company. The ultimate holding company does not intend to demand repayment of the loan in the foreseeable future.