



Company No. 2911040

RAVEN SCOTLAND LIMITED
(FORMERLY TARGETJUDGE PROJECTS LIMITED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH APRIL 1997

GERALD EDELMAN

CHARTERED ACCOUNTANTS

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RAVEN SCOTLAND LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of the company for the year ended 28th April 1997.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of property development.

CHANGE OF NAME

During the year the company's name was changed by Special Resolution from Targetjudge Projects Limited to Raven Scotland Limited.

RESULTS AND STATE OF AFFAIRS

The financial statements on pages 4 to 8 set out the results for the year ended 28th April 1997 and reflect the state of the company's affairs at that date.

The company will continue its business as a property developer and the directors expect the company to be profitable on sale of its current developments.

DIVIDEND

The directors do not propose to declare any dividend in respect of the year.

HOLDING COMPANIES

The company is a subsidiary of Raven Close 01 Plc and Raven Close 02 Plc, companies incorporated in Great Britain and registered in Scotland and carrying on property development and investment activities together under the name of Raven Close Joint Venture.

DIRECTORS AND THEIR INTERESTS

The members of the board during the year were:-

A.J.G. Bilton
L.J. Bilton
B.S. Sandhu - appointed 24th March 1997

None of the directors had an interest in the shares of the company during the year.

Messrs A.J.G. Bilton and L.J. Bilton are also directors of the holding companies, Raven Close 01 Plc and Raven Close 02 Plc, and their shareholdings in those companies are disclosed in their own financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by United Kingdom company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results for that year.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 preventing and detecting fraud and other irregularities.

RAVEN SCOTLAND LIMITED

REPORT OF THE DIRECTORS
(CONTINUED)

CLOSE COMPANY

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution will be proposed at the forthcoming annual general meeting of the company for the re-appointment of Gerald Edelman, who have expressed their willingness to continue in office as auditors for the ensuing year.

BY ORDER OF THE BOARD

14th January 1998

Dated.....

.....
(A.J.G. BILTON)
CHAIRMAN

RAVEN SCOTLAND LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF RAVEN SCOTLAND LIMITED

We have audited the financial statements on pages 4 to 8 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 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 mis-statement, 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 affairs of the company as at 28th April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25 Harley Street
London W1N 2BR



GERALD EDELMAN
REGISTERED AUDITOR AND
CHARTERED ACCOUNTANTS

14th January 1998

RAVEN SCOTLAND LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28TH APRIL 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
<u>Turnover</u>	2	3,540,000	1,850,000
Cost of sales		(3,089,620)	(1,895,755)
		<hr/>	<hr/>
<u>Gross profit/(loss)</u>	2	450,380	(45,755)
Administrative expenses		(2,265)	(2,112)
		<hr/>	<hr/>
<u>Operating profit/(loss)</u>	3	448,115	(47,867)
Other operating income		-	49,028
		<hr/>	<hr/>
<u>Profit on ordinary activities before taxation</u>		448,115	1,161
Tax on profit on ordinary activities	5	(148,166)	-
		<hr/>	<hr/>
<u>Retained profit for the year</u>		299,949	1,161
Retained profits brought forward		5,357	4,196
		<hr/>	<hr/>
<u>Retained profits carried forward</u>		£ 305,306	£ 5,357
		<hr/>	<hr/>

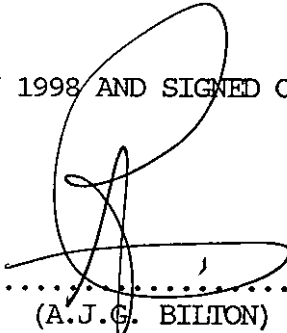
There have been no acquisitions or discontinued operations during the year. The results shown above for this year and the previous period therefore relate to continuing operations.

RAVEN SCOTLAND LIMITED

BALANCE SHEET AS AT 28TH APRIL 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
<u>CURRENT ASSETS</u>			
Stock	6	514,165	5,875
Debtors	7	895,574	357,915
Cash at bank and in hand		114	333
		<hr/>	<hr/>
		1,409,853	364,123
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	8	(920,201)	(174,420)
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		£ 489,652	£ 189,703
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	184,346	184,346
Profit and loss account		305,306	5,357
		<hr/>	<hr/>
		£ 489,652	£ 189,703
		<hr/>	<hr/>

APPROVED BY THE BOARD OF DIRECTORS ON 14TH JANUARY 1998 AND SIGNED ON ITS BEHALF BY:


.....DIRECTOR
(A.J.G. BILTON)

RAVEN SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH APRIL 1997

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than those included in the results shown on page 4 and therefore no separate statement of total recognised gains and losses has been presented.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated on page 4 and their historical cost equivalents.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £	<u>1996</u> £
Total recognised gains and losses for the year	299,949	1,161
Net additions to shareholders' funds	299,949	1,161
Shareholders' funds at 29th April 1996	189,703	188,542
Shareholders' funds at 28th April 1997	£ 489,652	£ 189,703

RAVEN SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH APRIL 1997

1. ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with those applied in the previous accounting period and are as follows:-

a) Convention

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

b) Stock

Stock, comprising development property, is stated at the lower of cost and net realisable value. Cost comprises direct costs of purchase and development, all costs associated with the holding of stock, interest payable on loans and overdrafts financing the development project and financing costs. Net realisable value is defined as estimated selling price less all further costs of development and estimated selling expenses.

c) Turnover

Turnover represents amounts derived from the company's principal activity and is stated exclusive of VAT.

2. TURNOVER AND GROSS PROFIT

Turnover and gross profit are derived from the company's principal activity which is carried out wholly in the United Kingdom.

3. OPERATING PROFIT/(LOSS)

	<u>1997</u>	<u>1996</u>
The operating profit/(loss) is stated after charging:		
Auditors' remuneration:		
- audit services	£ 1,500	£ 1,500
	<u> </u>	<u> </u>

4. EMPLOYEES

The company had no employees other than the directors and they received no emoluments during the year.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1997</u>	<u>1996</u>
	£	£
UK Corporation tax on profit for the year and the principal rates of 33%/31%	147,877	-
Underprovision in respect of previous year	289	-
	<u> </u>	<u> </u>
	£148,166	£ -
	<u> </u>	<u> </u>

RAVEN SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH APRIL 1997 (CONTINUED)

6.	<u>STOCK</u>	<u>1997</u>	<u>1996</u>
	Development property	£ 514,165	£ 5,875
		<hr/>	<hr/>
7.	<u>DEBTORS</u>	£	£
	Amounts owed by holding companies	798,136	223,762
	Other debtors	97,438	134,153
		<hr/>	<hr/>
		£ 895,574	£ 357,915
		<hr/>	<hr/>
8.	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
	Trade creditors	132,146	147,011
	Current corporation tax	147,877	-
	Other tax and social security	613,969	7,960
	Accruals and deferred income	26,209	19,449
		<hr/>	<hr/>
		£ 920,201	£ 174,420
		<hr/>	<hr/>
9.	<u>CALLED UP SHARE CAPITAL</u>		
	<u>Authorised, issued and fully paid</u>		
	Ordinary shares of £1 each	£ 184,346	£ 184,346
		<hr/>	<hr/>

10. HOLDING COMPANIES

The company is a subsidiary of Raven Close 01 Plc and Raven Close 02 Plc, companies incorporated in Great Britain and registered in Scotland and carrying on property development and investment activities together under the name of Raven Close Joint Venture.

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

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption whereby no disclosure is required for related party transactions with companies within the Raven Close 01 Plc and Raven Close 02 Plc groups.