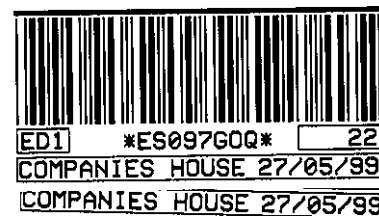


RIALTO NO.4 LIMITED

ANNUAL REPORT FOR THE PERIOD ENDED 31st JULY 1998

Registered Number: 03455141

Rialto No.4 Limited
Bayfordbury
Lower Hatfield Road
Hertford
SG13 8EE



RIALTO NO.4 LIMITED

Directors Report For The Period Ended 31st July 1998

The directors present their report and the unaudited financial statements for the period from incorporation on 24th October 1997 to 31st July 1998.

Principal activities

The company did not trade during the period.

Director

The directors who served during the period were:

J.A.Barham	Appointed 10 December 1997
S.C.Potter	Appointed 10 December 1997
P.G.Ayton	Appointed 10 December 1997
TSD Nominees Ltd	Appointed 24 October 1997, resigned 10 December 1997

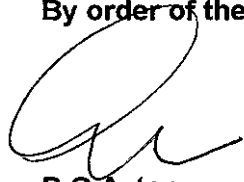
Director's Interests

The directors do not hold any direct interests in the shares of the company. Their interests in the shares of its holding company are disclosed in the group accounts.

Auditors

In accordance with Section 250 of the Companies Act 1985 the company, on 16th September 1998, resolved not to appoint auditors.

By order of the Board



P.G.Ayton
Company Secretary
4th May 1999

RIALTO NO.4 LIMITED

Balance Sheet at 31st July 1998

	Notes	£
Current Assets		
Debtors	2	1
Creditors	3	Nil
Net Assets		<u>£1</u>
 Called up share capital	 4	 1
Capital and Reserves		<u>£1</u>

The company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the period ended 31st July 1998, there having been no significant accounting transactions of the company required to be entered in its accounting records, and accordingly no profit and loss account has been prepared.

The financial statements on pages 2 and 3 were approved by the board of directors on 4th May 1999 and signed on its behalf by:-



P.G Ayton
Director

The notes on page 3 form part of these financial statements.

RIALTO NO.4 LIMITED

Notes to the financial statements for the period ended 31st July 1998

1 General

The company has not prepared a profit and loss account as there was no revenue and no expenses were incurred during the period ended 31st July 1998.

2 Debtors

£

Amount owed by holding company

1

3 Creditors

Nil

4 Called-up share capital

Authorised

1000 ordinary shares of £1 each

1000

Allotted, called-up and fully paid

1 ordinary share of £1

1

5 Directors emoluments

The directors received no emoluments for the period ended 31st July 1998.

6 Ultimate parent company

The company is a wholly owned subsidiary of Rialto Homes plc, a company incorporated in England.