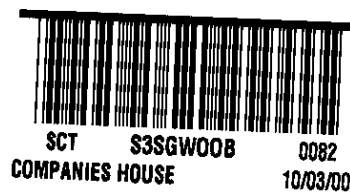


REDDING PARK DEVELOPMENT COMPANY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

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Company No. SC141656

REDDING PARK DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION

Director	G M MacPherson
Secretary	L M Farquharson
Company Number	SC141656
Registered Office	72 Newhaven Road Edinburgh EH6 5QG
Accountants	Scott Oswald Chartered Accountants 1 Royal Terrace Edinburgh EH7 5AD
Bankers	Lloyds TSB Scotland plc Head Office 120 George Street Edinburgh EH2 4LH

REDDING PARK DEVELOPMENT COMPANY LIMITED

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REDDING PARK DEVELOPMENT COMPANY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1998

The director presents his report together with the financial statements for the year ended 31st December 1998.

Principal Activities

The company's principal activity continued to be that of holding land for development.

Director

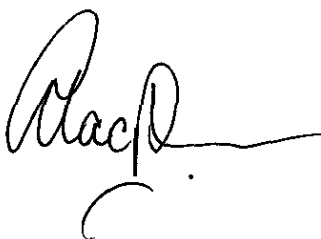
The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary Shares	
	31st December 1998	1st January 1998
G M MacPherson	1,000	1,000

Small Company Exemptions

The Director's Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved on 3rd March 2000, and signed by

X G M MacPherson, Director
3rd March 2000



ACCOUNTANTS' REPORT TO THE DIRECTOR
ON THE UNAUDITED FINANCIAL STATEMENTS OF
REDDING PARK DEVELOPMENT COMPANY LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st December 1998, set out on pages 3 to 7, and you consider that the company is exempt from an audit and a report under Section 249A of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Scott Oswald
Chartered Accountants
1 Royal Terrace
Edinburgh
EH7 5AD

Date: 9th March 2000

REDDING PARK DEVELOPMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	Notes	1998 £	1997 £
Administrative Expenses		21,631	16,341
Operating (Loss)	2	(21,631)	(16,341)
Interest Payable and Similar Charges		(11,116)	(7,546)
(Loss) on Ordinary Activities Before Taxation		(32,747)	(23,887)
Tax on (Loss) on Ordinary Activities	3	-	-
(Loss) for the Financial Year		(32,747)	(23,887)
Retained (Loss) Brought Forward		(47,875)	(23,988)
Retained (Loss) Carried Forward		(80,622)	(47,875)

All amounts relate to continuing activities.

There were no recognised gains or losses for 1998 or 1997 other than those included in the profit and loss account.

REDDING PARK DEVELOPMENT COMPANY LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1998

	Notes	£	1998 £	£	1997 £
Fixed Assets					
Tangible assets	4		5,036		-
Current Assets					
Land held for development		71,798		39,416	
Debtors	5	10,100		326	
		81,898		39,742	
Creditors: Amounts Falling Due Within One Year	6	166,556		86,617	
Net Current Liabilities			(84,658)		(46,875)
Total Assets Less Current Liabilities			(79,622)		(46,875)
Capital and Reserves					
Share capital	7		1,000		1,000
Profit and loss account			(80,622)		(47,875)
Shareholders' Funds	8		(79,622)		(46,875)

The director is of the opinion that the company is entitled to exemption from audit conferred by subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st December 1998.

The director confirms that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The director confirms that he is responsible for:

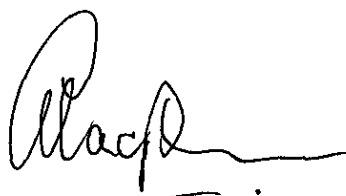
ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 3rd March 2000 and signed on its behalf by

X G M MacPherson
Director



X

The notes on pages 5 to 7 form part of these financial statements.

REDDING PARK DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by the reducing balance method over their expected useful lives. The rates and periods generally applicable are:

Office equipment	25% reducing balance
Furniture and fittings	25% reducing balance

Stocks

Land held for development is carried in the accounts at the lower of cost or net realisable value.

Basis of Preparing Financial Statements - Going Concern

During the year, the company incurred a loss of £32,747 and at the balance sheet date its current liabilities exceeded its current assets by £84,658. The company meets its day to day working capital requirements from its bank overdraft. In common with such facilities, the bank overdraft is repayable on demand.

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the company's bankers continuing their support by providing adequate overdraft facilities. If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to amend the balance sheet values to their recoverable amounts, and to provide for further liabilities that might arise.

The director believes that the financial statements should be prepared on a going concern basis as he is of the opinion that a significant gain will arise on the eventual disposal of the land held for development.

2 Operating (Loss)

The operating loss is arrived at after charging:

	1998	1997
	£	£
Depreciation of owned assets	1,678	-
Hire of equipment	5,255	3,377

3 Taxation

No provision in respect of corporation tax has been made.

REDDING PARK DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

4 Tangible Fixed Assets

	Office Equipment	Furniture and Fittings	Total
Cost	£	£	£
Additions	408	6,306	6,714
At 31st December 1998	408	6,306	6,714
Depreciation			
Charge for the year	102	1,576	1,678
At 31st December 1998	102	1,576	1,678
Net Book Value			
At 31st December 1998	306	4,730	5,036

5 Debtors	1998	1997
	£	£
Other debtors	621	326
P M developments loan account	9,479	-
	10,100	326

6 Creditors: Amounts Falling Due Within One Year	1998	1997
	£	£
Bank overdraft	159,135	80,291
Accruals and deferred income	7,421	6,326
	166,556	86,617

The bank overdraft is secured by a bond and floating charge over all of the company's assets.

7 Share Capital	1998	1997
	£	£
Authorised		
1,000 Ordinary shares of £1.00 each	1,000	1,000
Allotted		
1,000 Allotted, called up and fully paid ordinary shares of £1.00 each	1,000	1,000

REDDING PARK DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

8 Reconciliation of Shareholders' Funds

	1998 £	1997 £
Loss for the financial year	(32,747)	(23,887)
Decrease in the shareholders' funds	(32,747)	(23,887)
Opening shareholders' funds	(46,875)	(22,988)
Closing shareholders' funds	(79,622)	(46,875)