CRICHTON DEVELOPMENT COMPANY LIMITED

ABBREVIATED ACCOUNTS

for the period from 13 January 1995 to 31 March 1996

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REPORT OF THE AUDITORS

Auditors' report to the directors of Crichton Development Company Limited

under Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 4 together with the full financial statements of the company for the period ended 31 March 1996.

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors statement on page 2 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by section A of Part III of Schedule 8 to that Act in respect of the period ended 31 March 1996 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with that Schedule.

On 27 February 1997 we reported, as auditors to the company, to the shareholders on the full financial statements prepared under section 226 of the Companies Act 1985 for the period ended 31 March 1996 and our audit report was as follows:

"We have audited the financial statements set out on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, 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 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.

The evidence available to us was limited due to the company's system of internal control, in its opening period, not being adequate to ensure proper recording of transactions and information. It was impractical to extend our procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions.

REPORT OF THE AUDITORS

Auditors' report to the directors of Crichton Development Company Limited

under Paragraph 24 of Schedule 8 to the Companies Act 1985

The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued financial support of the company's parent undertaking The Crichton Trust as disclosed in note 15 to the accounts. Our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company at 31 March 1996 and have been properly prepared in accordance with the Companies Act 1985."

Manson + Partners

Manson & Partners,
Chartered Accountants and Registered Auditor.
27 February 1997

CRICHTON DEVELOPMENT COMPANY LIMITED

ABBREVIATED BALANCE SHEET

at 31 March 1996

	Notes	1996 £	1996 £
FIXED ASSETS			
Tangible assets	2		76,165
CURRENT ASSETS			
Stocks		568	
Debtors		381,025	
Cash in hand		3,140	
		384,733	
CREDITORS			
Amounts falling due within one year		570,797	
NET CURRENT LIABILITIES			(186,064)
NET LIABILITIES			(109,899)
CAPITAL AND RESERVES			
Called up share capital	3		2
Profit and loss account			(109,901)
Shareholders' funds			(109,899)

The directors have taken advantage of the exemptions conferred by section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

Signed on behalf of the board of directors.

Eric C. Archibald

Eric C. Archibald DIRECTOR

Apporved by the board of directors on 27 February 1997

The notes on pages 3 and 4 form part of these abbreviated accounts.

CRICHTON DEVELOPMENT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 March 1996

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION
The accounts have been prepared under the historical cost convention on a going concern basis and in accordance with applicable accounting standards.

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

BASIS OF INCORPORATION
The company was incorporated on 13 January 1995 but did not commence trading until June 1995.

TURNOVER
Turnover represents rental income receivable and the invoiced amount of services provided by the company during the period, and is stated net of value added tax as from 1 January 1996, from which date the company was registered for value added tax.

DEPRECIATION
Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Motor vehicles	- 20% straight line
Ground maintenance equipment	- 15% straight line
Computer equipment	- 25% straight line
Office furniture and equipment	- 20% straight line
Tenant's improvements	- 5% straight line

STOCKS
Stocks are valued at the lower of cost and net realisable value.

PENSION COSTS
The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. FIXED ASSETS/

CRICHTON DEVELOPMENT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 March 1996

2. FIXED ASSETS

	Tangible Assets
	£
Cost	
At 13 January 1995	-
Additions	88,802
Disposals	-
At 31 March 1996	88,802
Depreciation	
At 13 January 1995	-
Provided during the period	12,637
Eliminated on disposals	-
At 31 March 1996	12,637
Net book value	
At 31 March 1996	76,165

3. SHARE CAPITAL

	1996 No.
Authorised	
Ordinary shares of £1 each	1,000
Allotted, issued and fully paid	
Ordinary shares of £1 each	2

4. PARENT UNDERTAKING

The company's parent undertaking is The Crichton Trust to whom both shares in issue were transferred on 30 April 1996.