

CROWNHILL ESTATES LIMITED

FINANCIAL STATEMENTS

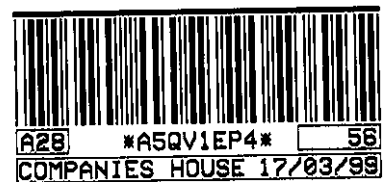
31ST AUGUST 1997

Registered number: 2990119

Lang Bennetts

Chartered Accountants

Cornwall



CROWNHILL ESTATES LIMITED

FINANCIAL STATEMENTS

for the year ended 31st August 1997

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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CROWNHILL ESTATES LIMITED

COMPANY INFORMATION

31st August 1997

INCORPORATED	14th November 1994
NUMBER	2990119
CHAIRMAN	C. A. Howeson
OTHER DIRECTORS	Mrs. E. J. Howeson C. R. E. Truscott The Duke of Somerset K. Holmes, CBE Sir Robert Woodard, KCVO J. W. Cutts (appointed 24/12/96)
SECRETARY	Mrs. E. J. Howeson
REGISTERED OFFICE	36 Lemon Street Truro Cornwall
BANKERS	Barclays Bank plc 19 Princess Street Plymouth Devon
SOLICITORS	Fazan & Co. 116 Fore Street Kingsbridge Devon
AUDITORS	KPMG Chartered Accountants Plym House Marsh Mills Plymouth Devon

CROWNHILL ESTATES LIMITED

DIRECTORS' REPORT

31st August 1997

The directors present their report and the audited financial statements for the year ended 31st August 1997.

Principal activity

The principal activity of the company is that of property development.

Business review

The results for the year are shown on page 5 of the financial statements.

Directors

The directors of the company during the period and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st August 1997 Ordinary shares	31st August 1996 Ordinary shares
C. A. Howeson	70	70
Mrs. E. J. Howeson	25	25
C. R. E. Truscott	5	5
The Duke of Somerset	-	-
K. Holmes, CBE	-	-
Sir Robert Woodard, KCVO	-	-
J. W. Cutts (appointed 24/12/96)	-	-

Dividends

During the year the company paid dividends of £24,000.

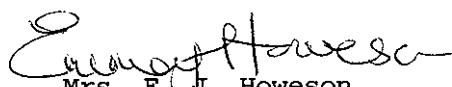
Auditors

KPMG have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


Mrs. E. J. Howeson
Secretary

36 Lemon Street
Truro
Cornwall

CROWNHILL ESTATES LIMITED

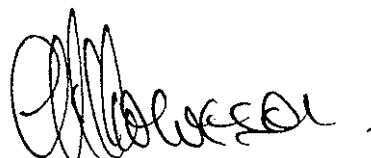
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the 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.

On behalf of the board



C. A. Howeson
Chairman

36 Lemon Street
Truro
Cornwall

CROWNHILL ESTATES LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Crownhill Estates Limited

We have audited the financial statements on pages 5 to 10 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 3, 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 misstatement, whether caused by fraud or error or other irregularity. 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 31st August 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Registered Auditors
Chartered Accountants

16 March 1999

Plym House
Marsh Mills
Plymouth
Devon

CROWNHILL ESTATES LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st August 1997

	Note	1997 £	£
Turnover	2	535,750	492,510
Cost of sales		(327,119)	(310,120)
Gross profit		208,631	182,390
Net operating expenses			
Distribution costs		(25,494)	(18,489)
Administrative expenses		(77,582)	(101,745)
Other operating income		29,607	16,785
Operating profit	3	135,162	78,941
Investment income	5	1,277	-
Interest payable	6	(5,715)	(30,738)
Profit on ordinary activities before taxation		130,724	48,203
Taxation	7	(34,823)	(14,380)
Profit on ordinary activities after taxation		95,901	33,823
Dividends	8	(24,000)	(36,000)
Retained profit/(loss) for the year	14	71,901	(2,177)

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit/(loss) for the year.

CROWNHILL ESTATES LIMITED

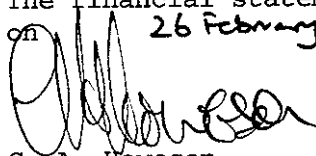
BALANCE SHEET

at 31st August 1997

	Note	1997 £	1996 £
Current assets			
Stocks	9	179,839	362,291
Debtors	10	45,996	174,741
Cash at bank and in hand		36,000	-
		<u>261,835</u>	<u>537,032</u>
Creditors: amounts falling due within one year	11	<u>(174,111)</u>	<u>(521,209)</u>
Net current assets		<u>87,724</u>	<u>15,823</u>
Total assets less current liabilities		<u>87,724</u>	<u>15,823</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	87,624	15,723
Total shareholders' funds	12	<u>87,724</u>	<u>15,823</u>

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

The financial statements on pages 5 to 10 were approved by the board of directors on 26 February 1999



C. A. Howeson
Chairman

CROWNHILL ESTATES LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Revenue and profit

Revenue and profit are recognised on sold properties on the exchange of contracts.

Leases

Rentals paid under operating leases are charged to income as incurred.

Stocks

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

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of value added tax.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1996 - nil).

CROWNHILL ESTATES LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1997

3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Ground rent	1,926	-
Rental income	25,481	13,800
	<u> </u>	<u> </u>
and after charging		
Auditors' remuneration	1,763	1,880
Operating leases		
Rent	2,300	3,450
	<u> </u>	<u> </u>

4 Directors

	1997 £	1996 £
Directors' emoluments	43,000	46,000
	<u> </u>	<u> </u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,000 (1996 - £11,000). There were no contributions to the fund at 31st August 1997 (1996 - nil).

5 Investment income

	1997 £	1996 £
Interest receivable	1,277	-
	<u> </u>	<u> </u>

6 Interest payable

	1997 £	1996 £
Interest payable	5,715	30,738
	<u> </u>	<u> </u>

7 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 25.8% (1996 24.6%)	34,823	14,380
	<u> </u>	<u> </u>

8 Dividends

	1997 £	1996 £
Equity - dividend	24,000	36,000
	<u> </u>	<u> </u>

CROWNHILL ESTATES LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1997

9 Stocks

	1997	1996
	£	£
Stocks	179,839	362,291

10 Debtors

	1997	1996
	£	£
Amounts falling due within one year		
Trade debtors	6,541	165,871
Other debtors	22,878	8,870
	29,419	174,741
Amounts falling due after more than one year		
Other debtors	16,577	-
	45,996	174,741

11 Creditors: amounts falling due within one year

	1997	1996
	£	£
Bank overdraft (secured)	11,598	80,815
Bank loan (secured)	-	218,140
Other loans	49,045	75,388
Trade creditors	31,442	25,124
Corporation tax	34,823	14,380
Other taxation and social security	10,170	14,673
Other creditors	37,033	92,689
	174,111	521,209

CROWNHILL ESTATES LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1997

12 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	95,901	33,823
Dividends	(24,000)	(36,000)
Net addition to/(subtraction from) shareholders' funds	71,901	(2,177)
Opening shareholders' funds	15,823	18,000
Closing shareholders' funds	87,724	15,823

13 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares	1,000	1,000	1,000	1,000
Allotted called up and fully paid				
Ordinary shares	100	100	100	100

14 Profit and loss account

	1997 £
1st September 1996	15,723
Retained profit for the year	71,901
31st August 1997	87,624

15 Related parties

During the year the company purchased services of £2,460 on an arm's length basis from Buckland Corporate Finance Limited, a company in which C. A. Howeson has a controlling interest.

As at 31st August 1997 the following balances were due to related parties:-

	£
Eko-Tek Power Limited	2,088
Buckland Corporate Finance Limited	597
A. C. Howeson 1995 Settlement	9,600
Lang Bennetts	4,200
C. A. and E. J. Howeson	32,560