



YAVERLAND LIMITED

Report and Financial Statements

31 March 1996

**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**





REPORT AND FINANCIAL STATEMENTS 1996

CONTENTS

Page

Directors' report 1

Statement of directors' responsibilities 2

Auditors' report 3

Profit and loss account 4

Balance sheet 5

Notes to the financial statements 6

Additional information 10



DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 1996.

ACTIVITIES

The company's principal activities are in managing the activities of the subsidiary undertaking.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

On 29 December 1995 the company acquired the whole of the share capital of Minortracts Builders Limited in exchange for the issue of an equivalent number of its own shares on a share for share basis.

The directors are optimistic about the long term prospects for growth and consider the change in the organisation structure to be part of the process of achieving this growth.

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the year are set out in detail on page 4. The directors do not recommend the payment of a dividend and the profit for the year of £2,331 has been transferred to reserves.

FIXED ASSETS

On 29 December 1995 the freehold buildings were transferred to Yaverland Limited from Minortracts Builders Limited at the lower of current valuation and historical cost.

Changes in fixed assets during the year are summarised in note 7.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in shares were:

	Ordinary shares of £1 each	
	31 March 1996	31 March 1995
D E Bundy	70	1
M Bundy	20	1

AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the re-appointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


D E Bundy
Director



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then 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. 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.



Chartered Accountants

Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham B3 2BN

Telephone: National 0121 200 2211
International + 44 121 200 2211
Fax (Gp. 3): 0121 695 5730

AUDITORS' REPORT TO THE MEMBERS OF

YAVERLAND LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under 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 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 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 at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

20 December 1996



PROFIT AND LOSS ACCOUNT
Year ended 31 March 1996

	Note	1996 £	1995
TURNOVER: continuing operations	2	8,780	-
Administrative expenses		<u>6,449</u>	<u>-</u>
OPERATING PROFIT BEING PROFIT BEFORE TAXATION	4	2,331	-
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	6	<u><u>2,331</u></u>	<u><u>-</u></u>

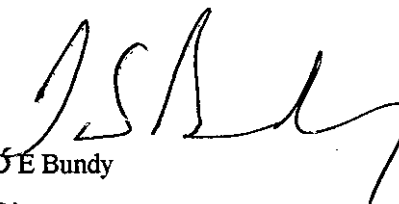
There are no recognised gains and losses other than the profit for the financial year. Accordingly, no statement of total recognised gains and losses is given.

BALANCE SHEET
31 March 1996

	Note	£	1996 £	£	1995 £
FIXED ASSETS					
Tangible assets	7		322,768		-
Investment	8		100		-
			<u>322,868</u>		<u>-</u>
CURRENT ASSETS					
Cash in hand		-		2	
CREDITORS: amounts falling due within one year	9	500		-	
			<u>(500)</u>		<u>2</u>
NET CURRENT (LIABILITIES)/ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			322,368		2
CREDITORS: amounts falling due after more than one year	10		(319,937)		-
			<u>2,431</u>		<u>2</u>
CAPITAL AND RESERVES					
Called up share capital	12		100		2
Profit and loss account	6		2,331		-
EQUITY SHAREHOLDERS FUNDS	13		<u>2,431</u>		<u>2</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors


 D E Bundy
 Director



NOTES TO THE ACCOUNTS
Year ended 31 March 1996

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Consolidation

The company has taken advantage of the exemption granted under section 248 of the Companies Act 1985 not to prepare group accounts, as the group qualifies as a small group.

Tangible fixed assets

Tangible fixed assets are stated at cost, less depreciation. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business.

Depreciation is not provided on freehold land. The annual depreciation rates and methods are as follows:

Freehold buildings - 2% per annum

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise. Provision is only made where liabilities are likely to arise in the foreseeable future.

2. TURNOVER

Turnover represents income from the letting of the company's freehold property.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees, other than the directors. The company incurred no staff costs during the year.

4. OPERATING PROFIT

	1996	1995
	£	£
Operating profit is after charging:		
Depreciation - owned assets	5,949	-
Auditors' remuneration	250	-
	<hr/>	<hr/>



NOTES TO THE ACCOUNTS
Year ended 31 March 1996

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
United Kingdom corporation tax at 25% based on taxable profit for the year	-	-

The tax charge on the profit for the year of £1,577 has been eliminated by losses surrendered as group relief free of charge.

6. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £
At 1 April 1995	-
Profit for the year	2,331
At 31 March 1996	2,331

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £
Cost	
At 1 April 1995	-
Addition in year	328,717
At 31 March 1996	328,717
Accumulated depreciation	
At 1 April 1995	-
Charge in year	5,949
At 31 March 1996	5,949
Net book value	
At 31 March 1996	322,768

Included in the above is land at a cost of £31,250 which is not depreciated.

NOTES TO THE ACCOUNTS
Year ended 31 March 1996

8. INVESTMENTS HELD AS FIXED ASSETS

	1996 £
Investment in subsidiary undertaking	
Shares at cost	100

The company owns 100% of the issued share capital of Minortracts Builders Limited, a company registered in England, whose principal activity is that of building contractors. Based on audited financial statements for the year ended 31 March 1996 the share capital and reserves of Minortracts Builders Limited at 31 March 1996 were £345,965 and its loss for the year then ended was £119,192.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Accruals	500	-

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1996 £	1995 £
Amounts owed to subsidiary company	319,937	-

11. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are:

	Actual 1996 £	Actual 1995 £	Potential 1996 £	Potential 1995 £
Other timing differences	-	-	23,762	-



NOTES TO THE ACCOUNTS
Year ended 31 March 1996

12. SHARE CAPITAL

	1996 Number	1995 Number	1996 £	1995 £
Authorised				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>2</u>	<u>100</u>	<u>2</u>
			Number	Consider- ation £
Shares issued in the year were				
Shares issued in respect of purchase of whole of issued share capital of Minortracts Builders Limited			<u>98</u>	<u>98</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit attributable to members of the company	2,331	-
Capital subscribed	<u>98</u>	<u>-</u>
	2,429	-
Opening shareholders' funds	<u>2</u>	<u>2</u>
Closing shareholders' funds	<u>2,431</u>	<u>2</u>

14. CONTINGENT LIABILITY

During the year the company provided a cross guarantee, secured on one of its own properties, to the group's bankers to support the borrowings of Minortracts Builders Limited. At 31 March 1996 these borrowings amounted to £58,966.



ADDITIONAL INFORMATION

The additional information on pages 11 and 12 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.



TRADING PROFIT AND LOSS ACCOUNT
Year ended 31 March 1996

	Note	1996 £	1995 £
INCOME	1	<u>8,780</u>	<u>-</u>
Less: OVERHEAD EXPENSES			
General	2	5,949	-
Professional	3	<u>500</u>	<u>-</u>
		<u>6,449</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u><u>2,331</u></u>	<u><u>-</u></u>



NOTES TO THE TRADING PROFIT AND LOSS ACCOUNT
Year ended 31 March 1996

	1996 £	1995 £
1. INCOME		
Property rental	<u>8,780</u>	<u>-</u>
2. GENERAL EXPENSES		
Depreciation: Freehold property	<u>5,949</u>	<u>-</u>
3. PROFESSIONAL EXPENSES		
Audit and accountancy	<u>500</u>	<u>-</u>