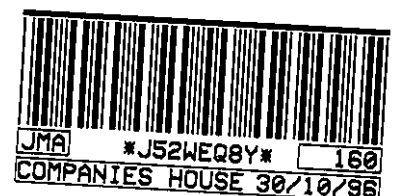


CHETVILLE SECURITIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 1995



CHETVILLE SECURITIES LIMITED
COMPANY INFORMATION

Directors

S M Blank (Chairman)
M Gringras
H H Solomons
H Blank

Secretary

M Blank

Registered office

Pembroke House
Pembroke Court
Hawthorn Street
Wilmslow
Cheshire

Auditors

Matravers & Co
Chartered Accountants
Registered Auditors
Bridgewater House
Century Park
Caspian Way
Altrincham

Bankers

The Royal Bank of Scotland plc
St Ann Street
Manchester

CHETVILLE SECURITIES LIMITED
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CHETVILLE SECURITIES LIMITED DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 1995.

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 and of the profit or loss of the company for that period. In preparing these 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 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.

Principal activity

The company's principal activity continues to be that of property dealing.

Directors

The directors who served during the year were:

Mr S M Blank
Mrs H Blank
Dr M Gringras
Mr H H Solomons

The interests of the directors in the issued share capital are disclosed in the accounts of the parent company.

Auditors

The auditors, Matravers & Co, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

This report which has been prepared taking advantage of special exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the directors the company is entitled to these exemptions as a small company.

BY ORDER OF THE BOARD



**S M Blank
Director**

30 October 1996

AUDITORS' REPORT TO THE SHAREHOLDERS OF CHETVILLE SECURITIES LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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.

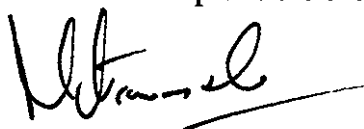
Basis of opinion

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 the company's affairs as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Matrovers & Co
Chartered Accountants
Registered Auditors
Altrincham
Cheshire

30 October 1996

CHETVILLE SECURITIES LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 1995

	Notes	1995 £	1994 £
Turnover		111,700	127,815
Other property expenses		(14,916)	(21,149)
Gross profit		96,784	106,666
Administrative expenses		(116,611)	(99,058)
(Loss)\Profit on ordinary activities before taxation	2	(19,827)	7,608
Tax on (loss)\profit on ordinary activities	3	(600)	18,183
Retained (loss)\profit for the year	9	£(20,427)	£25,791

There were no recognised gains and losses for 1995 or 1994 other than those included in the profit and loss account.

There were no acquisitions or discontinued activities during 1995 or 1994.

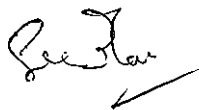
The notes on pages 5 to 8 form part of these financial statements.

CHETVILLE SECURITIES LIMITED
BALANCE SHEET
As at 31 December 1995

	Notes	1995 £	1994 £
Fixed assets			
Tangible assets	4	152,098	155,629
		<hr/>	<hr/>
Current assets			
Properties	5	242,245	242,245
Debtors	6	38,683	22,356
		<hr/>	<hr/>
		280,928	264,601
Creditors: amounts falling due within one year	7	(481,170)	(447,947)
		<hr/>	<hr/>
Net current liabilities		(200,242)	(183,346)
		<hr/>	<hr/>
Total assets less current liabilities		£(48,144)	£(27,717)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	(48,244)	(27,817)
		<hr/>	<hr/>
Shareholders' funds	9	£(48,144)	£(27,717)
		<hr/>	<hr/>

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to these exemptions as a small company.

These accounts were approved by the board on 30 October 1996, and signed on its behalf.



S M Blank
Director

The notes on pages 5 to 8 form part of these financial statements.

CHETVILLE SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 1995

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

Turnover

Turnover comprises amounts receivable from rents and the proceeds of sales of property.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on tangible fixed assets to write off the cost less residual value over their expected useful economic lives on a straight line basis, as follows:

Long leasehold property	-	2% per annum
Electrical equipment	-	25% per annum

Properties rented out and held for sale

These have been valued at the lower of cost or net realisable value.

Deferred taxation

Provision is made for deferred taxation to the extent that a liability to taxation is, in the opinion of the directors, likely to arise in the foreseeable future.

Foreign currency translation

Assets and liabilities denominated in foreign currencies have been translated into sterling at rates ruling at 31 December 1995.

Revenue transactions denominated in foreign currencies have been translated into sterling at the rate of exchange ruling at the date of transaction.

Cash flow statement

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

2. Operating profit\ (loss)

This is stated after charging:

	1995	1994
	£	£
Directors' emoluments	6,234	13,000
Auditors' remuneration	750	750
Depreciation	3,531	3,532
Group management charges	83,000	78,000

CHETVILLE SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 1995

3. Tax on (loss)\profit on ordinary activities

	1995 £	1994 £
Corporation tax at 25% (1994 - 25%)	600	4,500
Corporation tax recovered	-	(22,683)
	<u>£600</u>	<u>£(18,183)</u>

4. Tangible fixed assets

	Long leasehold property £	Electrical equipment £	Total £
Cost			
At 1 January 1995 and 31 December 1995	176,525	1,064	177,589
Depreciation			
At 1 January 1995	20,896	1,064	21,960
Charge for the year	3,531	-	3,531
At 31 December 1995	<u>24,427</u>	<u>1,064</u>	<u>25,491</u>
Net book value			
At 31 December 1995	<u>£152,098</u>	<u>£-</u>	<u>£152,098</u>
At 31 December 1994	<u>£155,629</u>	<u>£-</u>	<u>£155,629</u>

5. Properties rented out and held for sale

	1995 £	1994 £
Chief rents	287	287
Properties	241,958	241,958
	<u>£242,245</u>	<u>£242,245</u>

CHETVILLE SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 1995

6. Debtors

	1995	1994
	£	£
Trade debtors	32,495	15,676
Other debtors	2,685	3,150
Prepayments	3,503	3,530
	<u>£38,683</u>	<u>£22,356</u>

7. Creditors: amounts falling due within one year

	1995	1994
	£	£
Bank overdraft	14,278	88,305
Amounts owed to parent company	40,000	32,000
Amounts owed to fellow subsidiaries	414,424	316,410
Corporation tax	600	4,500
Accruals	11,868	6,732
	<u>£481,170</u>	<u>£447,947</u>

Banking facilities granted to the company are secured by legal charges on certain land and buildings together with a debenture dated 26 January 1981, and cross guarantees given by fellow group companies.

8. Share capital

	Authorised		Allotted, called and fully paid up	
	1995	1994	1995	1994
	Number	Number	£	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>£100</u>	<u>£100</u>

CHETVILLE SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 1995

9. Movements on reserves and shareholders' funds

	Share capital £	Profit & loss account £	Total £
At 1 January 1995	100	(27,817)	(27,717)
Loss for the year	-	(20,427)	(20,427)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	£100	£(48,244)	£(48,144)
	<hr/>	<hr/>	<hr/>

10. Ultimate parent company

The directors regard Hyrst Garth Estate Limited, a company registered in England and Wales, as the company's immediate parent company and Lancastrian Investments and Securities Limited, a company registered in England and Wales, as the company's ultimate parent company.

11. Contingent liability

The company has entered into unlimited cross guarantees in respect of banking facilities granted to fellow group companies which at 31 December 1995 amounted to £188,303 (1994 - £1,481)