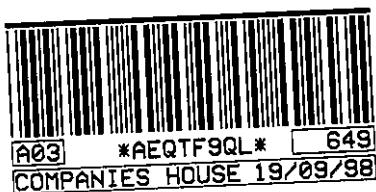


CHADWICK HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997

895332



CHADWICK HOLDINGS LIMITED
YEAR ENDED 30 NOVEMBER 1997

CONTENTS	PAGE
Company information	1
Report of directors	2 - 4
Profit And Loss Account	5
Balance Sheet	6 - 7
Notes to the Financial Statements	8 - 12

CHADWICK HOLDINGS LIMITED

YEAR ENDED 30 NOVEMBER 1997

Company Information

Directors

M W Douglas
Chadwick House
6 Hallam Road
Clevedon
N Somerset BS21 7SF

S A Douglas
4 Garstons
Clevedon
Avon BS21 7SS

R J Douglas
Westholme
1 Orme Drive
Clevedon
N Somerset BS21 7HD

A A Douglas
8 Chattam Street
Machen
Gwent NP1 8SH

Secretary

J M Douglas
Chadwick House
6 Hallam Road
Clevedon
N Somerset BS21 7SF

Registered Office

Chadwick House
6 Hallam Road
Clevedon
N Somerset BS21 7SF

CHADWICK HOLDINGS LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 30 NOVEMBER 1997

AUDITOR

The directors have taken advantage of the exemption conferred by Section 249A, Subsections (1) of the Companies Act 1985, to prepare unaudited accounts.

REPORT OF THE DIRECTORS

The directors submit their report, together with Accounts for the year ended 30 November 1997.

Statement of the 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 the company's affairs and 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 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 Activities

The principal activities of the company are the ownership, managements and letting of commercial properties.

Review of Business Developments

During the period, adjacent units at 22 and 24 Old Street were sold.

Tenants at the factory unit at Douglas Road experienced difficulties and are applying for liquidation. Outstanding rents and repair commitments at the premises are now considered to be bad debts.

All other units are now let.

Results and Dividends

The results for the period are set out in the Profit And Loss Account and show a net profit of £66,526. Excluding profit on disposal produces a net loss of (£7,295) (1996 net loss £17,175). The directors are disappointed with the result mainly engendered by the failure of occupiers of the factory unit.

The directors do not recommend the payment of a dividend.

Directors interests

The interest of the directors who served during the year are as follows:

	<u>30.11.97</u>		<u>30.11.96</u>	
	Dir	Family	Dir	Family
M W Douglas	230	nil	230	nil
S A Douglas	nil	nil		
R J Douglas	nil	nil		
A A Douglas	nil	nil		
R B Douglas		nil	100	nil

R B Douglas retires by rotation and being eligible offers himself for re-election at the Annual General Meeting.

Fixed Assets

The movements in fixed assets during the year are set out in note 7 of the notes to the accounts. In the opinion of the directors the value of the company's fixed assets is not materially different from the book value included in these financial statements.

Small Companies

This report has been prepared taking advantage of the 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 those exemptions as a small company.

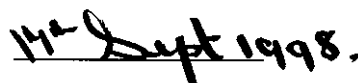
Close Company Status

The Close Company provisions of the Income And Corporation Taxes Act 1988 apply to the Company.

By Order of the Board



Mrs J M Douglas
(Secretary)



Date

CHADWICK HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 1997

	Note	1997	1996
Rental Income	2	27958	33590
Direct costs	3	21170	26938
		6788	6652
Other income	2	6843	2111
GROSS PROFIT		13631	8763
Administrative expenses	4	-53405	24187
NET OPERATING PROFIT		67036	-15424
Interest receivable		1050	841
Interest payable	5	1560	1922
PROFIT(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		66526	-16505
Tax on ordinary activities		1829	670
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		64697	-17175
RETAINED PROFIT (LOSS)		402885	338188

Gains during the year are as described in the notes to the accounts and did not give rise to a liability.

The attached notes form part of the financial statements.

CHADWICK HOLDINGS LIMITED
BALANCE SHEET
AS AT 30 NOVEMBER 1997

	Note	1997	1996
FIXED ASSETS			
Tangible fixed assets	7	222300	307077
Investments	8	4000	4000
Loans - medium term	9	52328	15420
CURRENT ASSETS			
Short term loan	10	2740	2483
Debtors & prepayments	11		35767
Cash at bank and in hand		131002	19935
		133742	58185
CURRENT LIABILITIES			
Amounts falling due for payment within 1 year	12	8735	3045
NET CURRENT ASSETS		125007	55140
TOTAL ASSETS LESS CURRENT LIABILITIES		403635	381637
CREDITORS			
Accounts falling due for payment after 1 year	13		18600
		396160	363037
Financed by:			
CAPITAL AND RESERVES			
Called up share capital	14	750	750
Reserves		402885	338188
Revaluation			24099
		403635	363037

The notes on the following pages form part of these financial statements.
This Balance Sheet continues on page 7.

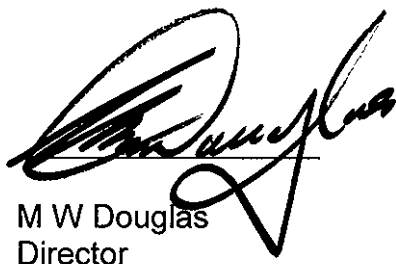
CHADWICK HOLDINGS LIMITED

BALANCE SHEET CONTINUED

In approving these financial statements, as directors of the company, we confirm

1. that for the year ended 30 November 1997, the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985.
2. that no notice has been deposited by holders at 10% of the company's issued share capital at the registered office of the company requiring the company to obtain an audit of its accounts for the financial year, pursuant to Section 259B (2).
3. that we acknowledge our responsibilities for
 - (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985
 - and
 - (b) preparing accounts which give a true and fair view of the state of the company's affairs as at 30 November 1997 and of its profit for the year then ended and which otherwise comply with the provision of the Company Act 1985 relating to accounts so far as applicable to the company.

on behalf of the board


M W Douglas
Director

17/9/98
Date

CHADWICK HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 1997

1 ACCOUNTING POLICIES

1.1 Basis of Accounts

The accounts have been prepared in accordance with applicable accounting standards and under the historic cost convention and include the results of the company's operations which are described in the directors report and all of which are continuing.

Exemption has been taken from preparing a Statement Of Source And Application Of Funds on the grounds that the company qualifies as a small company.

1.2 Freehold Land and Buildings

Freehold land and buildings are at cost and the directors reasonable assumptions that this represents current market values of similar properties and current net rentals.

1.3 Depreciation of Fixed Assets

The Directors have chosen not to depreciate buildings. The company has no other fixed assets.

1.4 Deferred Taxation

In the opinion of the directors no provision for deferred taxation is required.

2. RENTAL AND OTHER INCOME

Rental income		27958		17446
Overseas rental income				16144
Management fees received	11843		11111	
Direct costs	<u>5000</u>	<u>6843</u>	<u>9000</u>	<u>2111</u>
		<u>34801</u>		<u>35701</u>

3 DIRECT PROPERTY COSTS

	1997	1996
Costs to property	21170	12383
Overseas property		14555
	21170	26938

Costs to property include roof repairs to factory unit undertaken by tenant at a cost of £12282 but borne by the company following the failure of the tenant company

4 NET OPERATING PROFIT

Stated after charging:

Mortgage interest (see note 13)	1560	1922
Non audit accountancy fees	650	700
Bad debts	3904	

Bad debt is accruals of rent owed by tenant at factory which failed

Staff numbers and costs:

Administration	2	1
----------------	---	---

The aggregate remuneration was as follows:

Rental activities	13938	17483
Consultancy	5000	9000
	18939	26483

Profit on disposal	73821	243
--------------------	-------	-----

Profit on disposal relates to disposal of adjacent units at 22-24 Old Street, Clevedon at market value to arms length purchasers.

5 INTEREST PAYABLE

Mortgage interest	1560	1922
-------------------	------	------

6 TAXATION

	1997	1996
Corporation tax payable on ordinary activities	<u>1806</u>	<u>670</u>

7 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings
Brought forward	<u>307077</u>
Disposal at cost	32880
Disposal revaluation	<u>51897</u>
	<u>84777</u>
Value 30.11.97	<u>222300</u>
Value 30.11.96	<u>307077</u>

Disposals during the year were adjacent properties at 22/24 Old Street, Clevedon.

8 INVESTMENTS

Shares in Locheil Design Services Limited	4000
---	------

9 LOANS

Locheil Design Services Limited	12488
Locheil Development Company Limited	14663
Locheil Development (Edinburgh) Limited	5510
Cadentrend Limited	62
Chadwick House Limited	6104
Riverlynx Limited	<u>13501</u>
	52328

	1997	1996
10 SHORT TERM LOAN	2740	2483

The loan is in favour of Locheil Development Company Limited

11 DEBTORS AND PREPAYMENTS

Due within one year

Trade debtors	4954
Directors current account	100
	<u>5054</u>

Other debtors

Wages	368
Locheil Development Company	7550
Cadentrend Limited	62
Chemlock	12282
Riverlynx Limited	10501
	<u>30713</u>

Debt from Chemlock is considered a bad debt by the directors due to the failure of the company and was for renovation of factory property roof.

Other debts from 1996 are considered medium term liabilities and have to be treated accordingly.

12 CREDITORS

Trade creditors	554	400
Other creditors & accruals	1350	900
PAYE & NIC	4855	716
Corporation Tax	1806	705
Wages	170	
	<u>8735</u>	<u>2721</u>

Other creditors

Access		383
	<u>8735</u>	<u>3104</u>

	1997	1996
--	------	------

13 CREDITORS

Due after 1 year

Mortgage		18600
----------	--	-------

The mortgage was in favour of Eagle Star and secured against properties at Old Street which were disposed of during the period.

14 CALLED UP SHARE CAPITAL

Authorised ordinary shares of £1 each	1000	1000
---------------------------------------	------	------

Issued and fully paid	750	750
-----------------------	-----	-----

15 RESERVES

Balance at 01.12.96	338188	355363
Retained profits for year	64697	-17175
Revaluation reserve		24099

	402885	362287
--	--------	--------

	403635	363037
--	--------	--------