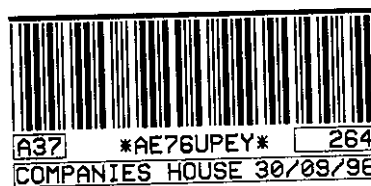


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CHADWICK HOLDINGS LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 1995



CHADWICK HOLDINGS LIMITED

YEAR ENDED 30 NOVEMBER 1996

CONTENTS

Company information	1
Report of the directors	2-4
Profit And Loss Account	5
Balance Sheet	6-6(2)
Notes to the Financial Statements	7-11

CHADWICK HOLDINGS

YEAR ENDED 30 NOVEMBER 1995

COMPANY INFORMATION

Directors

M W Douglas
Chadwick House
6 Hallam Road
CLEVEDON

R B Douglas
47 Walton Road
CLEVEDON

Secretary

J M Douglas
Chadwick House
6 Hallam Road
CLEVEDON

Registered Office

Chadwick House
6 Hallam Road
CLEVEDON

CHADWICK HOLDINGS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 NOVEMBER 1995

AUDITOR

The directors have taken advantage of the exemption conferred by Section 249A, Subsection (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 31 November 1995.

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 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 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, management and letting of commercial properties.

Review of Business Developments

The company's property portfolio was increased during the period, by the acquisition of a further factory property which has been let.

One unit has remained unlet throughout the period and a further unit has become vacant.

Two units required a high level of expenditure for extensive remedial work at during the period.

Results and Dividends

The results for the period are set out in the Profit And Loss Account and show a net loss of £26497 after taxation. (1994 profit £9651). The directors are disappointed that the principal activity of the company produced trading losses for the reasons outlined above but are confident that the company will return to profit within the next trading period.

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:

Ordinary shares of £1 each

	31 November 1995		1 December 1994	
	Dir	Family	Dir	Family
M W Douglas	230	nil	230	nil
R B Douglas	100	nil	100	nil
M W Douglas immediate family	nil	nil	nil	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 8. 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 these 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)

29/9/96
Date

CHADWICK HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 1995

	Note	1995	1994
Rental income	2	25431	21717
Direct costs	3	<u>39615</u>	<u>7476</u>
GROSS (LOSS) / PROFIT		-14184	14241
Administrative expenses	4	<u>-21073</u>	<u>-18251</u>
NET OPERATING LOSS		-35257	-4010
Other income	2	<u>12850</u>	<u>21512</u>
		-22407	17502
Interest payable	5	<u>-1953</u>	<u>-1902</u>
(Loss) Profit on ordinary activities before taxation		-24360	15600
Tax on profit on ordinary activities		<u>-2137</u>	<u>-5945</u>
RETAINED (LOSS) PROFIT CARRIED FORWARD		<u>-26497</u>	<u>9651</u>

There were no recognised gains or losses for 1995 or 1994

The attached notes form part of the financial statements

CHADWICK HOLDINGS LIMITED

BALANCE SHEET AS AT 30 NOVEMBER 1996

	Note	1995	1994
FIXED ASSETS			
Tangible fixed assets	8	<u>414671</u>	<u>264671</u>
CURRENT ASSETS			
Short term secured loan	9	31641	67813
Debtors and prepayments	10	14472	25034
Cash at bank and in hand		<u>16</u>	<u>163046</u>
		46129	255893
CURRENT LIABILITIES			
Amounts falling due for payment within one year	11	<u>10091</u>	<u>43358</u>
NET CURRENT ASSETS		<u>36038</u>	<u>212535</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		450709	477207
CREDITORS			
Amounts falling due for payment after one year	12	<u>18600</u>	<u>18600</u>
		<u>432109</u>	<u>458606</u>
Financed by:			
CAPITAL AND RESERVES			
Called up share capital	13	750	750
Reserves		355363	381860
Revaluation		<u>75996</u>	<u>75996</u>
		<u>432109</u>	<u>458606</u>

Continued

BALANCE SHEET continued

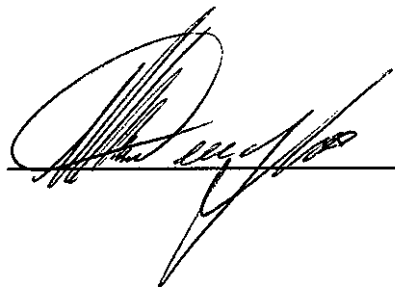
The notes on the following pages form part of these financial statements.

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

1. that for the year ended 31 November 1995 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 of 10% or more 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 249B (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 31 November 1995 and of its losses for the year then ended and which otherwise comply with the provisions of the Companies Act 1985 relating to accounts so far as applicable to the company

On behalf of the board



Director

28/9/96

date

CHADWICK HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1995

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 the directors valuation based upon reasonable assumptions of the current market values of similar properties and current net rentals.

1.3 Depreciation of Fixed Assets

Depreciation is calculated to write off the fixed assets over their expected useful lives by reference to original costs or subsequent valuation on the following annual basis:

lant and machinery 25% on a reducing balance

1.4 Deferred Taxation

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

2. RENTAL AND OTHER INCOME

	<u>1995</u>	<u>1994</u>
Rental income	19721	19428
Overseas rental income	5710	2289
Bank & loan interest receivable	7228	15512
Management fees receivable	<u>5622</u>	<u>6000</u>
	38281	43229

3. DIRECT PROPERTY COSTS

	<u>1995</u>	<u>1994</u>
Costs to property	28486	2836
Overseas property	<u>11129</u>	<u>4640</u>
	<u>39615</u>	<u>7476</u>

4. NET OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
Stated after charging:		
Mortgage interest (see note 12)	<u>1953</u>	<u>1891</u>
Staff numbers and costs:		
Administration	<u>1</u>	<u>1</u>

The aggregate remuneration was as follows:

Rental activities	5504	6223
Consultancy	4000	4696
Interest	<u> </u>	<u>800</u>
	<u>9504</u>	<u>12719</u>

5. INTEREST PAYABLE

Mortgage interest (see notes 4. & 12)	1953	1891
Bank interest		11
Interest on tax paid late	<u> </u>	<u>197</u>
	<u>1953</u>	<u>2099</u>

	<u>1995</u>	<u>1994</u>
6. TAXATION		
Corporation tax payable	<u>2137</u>	<u>5949</u>

7. TANGIBLE FIXED ASSETS

	<u>F/hold land & buildings</u>	<u>Plant & machinery</u>	<u>Yacht</u>	<u>Total</u>
<u>Cost</u>				
Brought forward	188675	9882		198557
Revaluation	<u>75996</u>			<u>75996</u>
	264671	9882		274553
Additions	<u>135000</u>		15000	<u>150000</u>
	399671	9882	15000	424553
<u>Depreciation</u>				
Charge brought forward		<u>9882</u>		<u>9882</u>
<u>Net book value</u>				
30.11.95	<u>399671</u>		15000	<u>414671</u>
30.11.94	<u>264671</u>			<u>264671</u>

Additional freehold land and buildings during year comprise factory unit at Douglas Road, Kingswood, Bristol.

9. SHORT TERM SECURED LOAN

	<u>1995</u>	<u>1994</u>
Unsecured loan interest	<u>31641</u>	<u>67813</u>

The loan is an unsecured loan in favour of Locheil Development Company Limited. The capital has been repaid and the balance is compound interest.

19951994

10. DEBTORS AND PREPAYMENTS

Due within 1 year

Trade debtors	749	5250
Other debtors & accrued income	<u>1000</u>	<u>19784</u>
	<u>1749</u>	<u>25034</u>

Other debtors:

Wages	219	219
Locheil Company		6686
Cadentrend	62	
Chemlock	1941	
Riverlynx	<u>10501</u>	<u>10501</u>
	<u>12723</u>	<u>17406</u>
	<u>14472</u>	<u>42440</u>

11. CREDITORS

Due within 1 year

Trade creditors	839	1456
Other creditors & accruals	6421	33282
PAYE & NIC		1526
Corporation tax	2137	5949
Directors loan	<u>577</u>	<u>1145</u>
	<u>9974</u>	<u>43358</u>

Other creditors

Villa deposits & balance	60	705
Access	55	245
Locheil company		28083
Rounding	<u>2</u>	<u>2</u>
	<u>117</u>	<u>29035</u>
	<u>10091</u>	<u>72393</u>

	<u>1995</u>	<u>1994</u>
12. CREDITORS		
Due after 1 year	<u>18600</u>	<u>18600</u>
13. CALLED UP SHARE CAPITAL		
Authorised ordinary shares of £1	<u>1000</u>	<u>1000</u>
Issued and fully paid	<u>750</u>	<u>750</u>
14. RESERVES		
Balance at 01.12.94	381860	372209
Retained loss / profit for year	-26497	9651
Revaluation Reserve	<u>75996</u>	<u>75996</u>
	<u>431359</u>	<u>457856</u>
	<u>432109</u>	<u>458606</u>