

SILKENDALE LIMITED
FINANCIAL STATEMENTS
30TH APRIL 1998

Company Registration Number 2831864

KINNAIRD HILL
Chartered Accountants & Registered Auditors
285 Milton Road
Cambridge
CB4 1XQ



SILKENDALE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH APRIL 1998

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SILKENDALE LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 30TH APRIL 1998

The director has pleasure in presenting his report and the financial statements of the company for the year ended 30th April 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property development.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year was as follows:

Mr M Rapley

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the accounts of the parent company.

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

AUDITORS

A resolution to re-appoint Kinnaird Hill as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SILKENDALE LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 30TH APRIL 1998

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

25 The Square

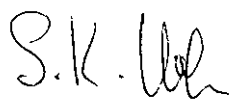
Retford

Notts

DN22 6DQ

S10 4FN

Signed by order of the director



S K Holman Esq.
Company Secretary

Approved by the director on 20 OCT 1998

SILKENDALE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 30TH APRIL 1998

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

As described on page 1, the company's director is responsible for the preparation of the 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.

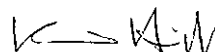
BASIS OF OPINION

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 director 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 company's state of affairs as at 30th April 1998 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



285 Milton Road
Cambridge
CB4 1XQ

KINNAIRD HILL
Chartered Accountants
& Registered Auditors

2.0 OCT. 1998

SILKENDALE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH APRIL 1998

	Note	1998 £	1997 £
TURNOVER		1,874,764	6,250,000
Cost of sales		215,330	4,600,135
GROSS PROFIT		1,659,434	1,649,865
Administrative expenses		1,515,091	1,618,479
Other operating income		(73,226)	(105,004)
OPERATING PROFIT		217,569	136,390
Interest receivable		7,595	10,978
Interest payable		(94,222)	(46,653)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		130,942	100,715
Tax on profit on ordinary activities	2	27,900	23,920
RETAINED PROFIT FOR THE FINANCIAL YEAR		103,042	76,795
Balance brought forward		76,795	-
Balance carried forward		179,837	76,795

SILKENDALE LIMITED**BALANCE SHEET****30TH APRIL 1998**

	Note	1998	1997
		£	£
FIXED ASSETS			
Investments	3	250	250
CURRENT ASSETS			
Stocks	4	274,071	366,761
Debtors	5	1,323,108	1,831,813
Cash at bank and in hand		-	3,779
		<u>1,597,179</u>	<u>2,202,353</u>
CREDITORS: Amounts falling due within one year	6	<u>(1,417,591)</u>	<u>(1,875,807)</u>
NET CURRENT ASSETS		179,588	326,546
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>179,838</u>	<u>326,796</u>
CREDITORS: Amounts falling due after more than one year	7	-	(250,000)
		<u>179,838</u>	<u>76,796</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	1	1
Profit and loss account	10	179,837	76,795
SHAREHOLDER'S FUNDS		<u>179,838</u>	<u>76,796</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved and signed by the director on 20 OCT 1998


M Rapley Esq.

SILKENDALE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Investment in associated undertaking

The company's associated undertaking is carrying out a development project as Nominee and bare trustee for its shareholders. The company's share of the transactions of the associated undertaking has been incorporated in these Accounts as though they were transactions of the company.

2. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
UK Corporation tax based on the results for the year at 21% (1997 - 21/24%)	<u>27,900</u>	<u>23,920</u>

SILKENDALE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****3. INVESTMENTS****Associated undertakings****COST AND NET BOOK VALUE**

At 1st May 1997 and 30th April 1998

£

250

Details of investments in which the company holds 25% or more of the nominal value of any class of share are as follows:

Name of company and nature of business	Country of registration	Holding	Proportion of voting rights and shares held	Year end
Vexland Limited	England and Wales	Ordinary shares	50%	30th April
Festival Leisure Park Limited	England and Wales	Ordinary shares	25% Held by Vexland Limited	30th April

Vexland limited is carrying out a development project as nominee and bare-trustee for Silkendale Limited and its fellow shareholder. As a result, Silkendale Limited has included its share of the transactions in its accounts.

The accounts for Festival Leisure Park Limited to 30th April 1998 have not yet been finalised. The accounts to 30th April 1997 show a loss of £719,914 for the year and a deficit of capital and reserves of £718,914.

4. STOCKS

	1998	1997
	£	£
Work in progress	<u>274,071</u>	<u>366,761</u>

SILKENDALE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****5. DEBTORS**

	1998 £	1997 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,268,205	1,750,000
Other debtors	54,903	81,813
	<u>1,323,108</u>	<u>1,831,813</u>

6. CREDITORS: Amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	1,272,669	450,706
Amounts owed to group undertakings	-	1,240,000
Other creditors including:		
Corporation tax	27,820	23,920
Other creditors	<u>117,102</u>	<u>161,181</u>
	144,922	185,101
	<u>1,417,591</u>	<u>1,875,807</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	<u>1,272,669</u>	<u>450,706</u>

7. CREDITORS: Amounts falling due after more than one year

	1998 £	1997 £
Other	<u>-</u>	<u>250,000</u>

SILKENDALE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****8. RELATED PARTY TRANSACTIONS**

During the year the company has received management services from its ultimate parent undertaking, Scotfield Limited, to the value of £1,300,000. At the year end the amount owing by Scotfield Limited was £1,245,955.

Vexland Limited is carrying out a development project as nominee and bare-trustee for the company and its fellow shareholder. As a result the company has recorded its share of the transactions of Vexland Limited in its accounts.

At the year end Vexland Limited is owed £44,500 by Festival Leisure Park Limited, Silkendale Limited has recorded its share of this balance, £22,250, in its accounts.

During the year Vexland Limited has paid management services to Scotfield Limited to the value of £197,550 and Marcol Limited to the value of £174,550. Marcol Limited owns 50% of Vexland Limited. Silkendale Limited has recorded its share of these transactions in its accounts.

9. SHARE CAPITAL**Authorised share capital:**

	1998 £	1997 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	<u>1</u>	<u>1</u>

10. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
Balance brought forward	76,795	-
Retained profit for the financial year	103,042	76,795
Balance carried forward	<u>179,837</u>	<u>76,795</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent undertaking of this company is Scotfield Limited, a company registered in England and Wales.

SILKENDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 1998

12. CONTROLLING PARTIES

The controlling party is Rothschild Trust (Schweiz) AG, a company incorporated in Switzerland. Rothschild Trust (Schweiz) AG are trustees of a trust which owns the majority of shares in the company's parent undertaking, Scotfield Limited.