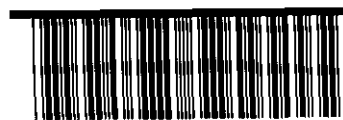


Pavilion Square (Scarborough) Limited

Directors' Report and Accounts

for the year ended 30 September 2002

company registration England 692921



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Pavilion Square (Scarborough) Limited

Financial statements

for the year ended 30 September 2002

Directors

Mrs. E. Guthrie
J. Guthrie
K. F. Ball

Secretary

J. M. Johnson

Registered Office

12 Alma Square
Scarborough
North Yorkshire
YO11 1JU

Registered Auditors

Moore Stephens
Chartered Accountants
12/13 Alma Square
Scarborough
North Yorkshire
YO11 1JU

Business Address

Pavilion House
Scarborough
North Yorkshire
YO11 2JR

Company Number

England 692921

Pavilion Square (Scarborough) Limited

Directors' report

for the year ended 30 September 2002

The directors present their annual report together with the company's audited statement of accounts for the year ended 30 September 2002.

Directors' review

The company has remained dormant throughout the year under review.

Directors and their interests

The directors who served during the year were:

Mrs. E. Guthrie

J. Guthrie

K. F. Ball

The interests of Mr. J. Guthrie in the capital of group companies are disclosed in the directors' report of Broadland Properties Limited. Mrs. E. Guthrie and Mr. K. F. Ball held no interests in the capital of any group companies.

Elective resolutions

The shareholders have passed elective resolutions dispensing with the requirement to hold an annual general meeting and to lay the accounts before an annual general meeting. Nevertheless the directors would like to remind the shareholders that any shareholder has the right to call for the accounts to be laid before a meeting of the shareholders and this right may be exercised by notice in writing to the company's registered office within 28 days from the date of receipt of the accounts.

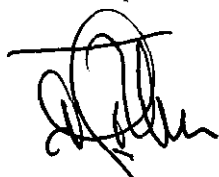
Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements based 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.

This report was approved by the board on 19 December 2002 and signed on its behalf by



J. M. Johnson
Secretary

**Independent auditors' report to the shareholders of
Pavilion Square (Scarborough) Limited
for the year ended 30 September 2002**

We have audited the financial statements of Pavilion Square (Scarborough) Limited for the year ended 30 September 2002 set out on pages 3 to 5. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 30 September 2002 and have been properly prepared in accordance with the Companies Act 1985.

**Chartered Accountants
12/13 Alma Square
Scarborough**

19 December 2002

Moore Stephens
Moore Stephens

**Registered Auditors
Chartered Accountants**

Pavilion Square (Scarborough) Limited

Balance sheet

as at 30 September 2002

	Notes	2002		2001	
		£	£	£	£
Fixed Assets					
Investments	3		25,189		25,189
Current Assets					
Debtors	4	44,811		44,811	
Net Current Assets			44,811		44,811
Total Assets Less Current Liabilities			70,000		70,000
Capital and Reserves					
Called up share capital	5		70,000		70,000
Equity Shareholders' Funds			70,000		70,000

The financial statements were approved by the Board on 19 December 2002 and signed on its behalf by



J. Gulyaric
Director

The notes on pages 4 to 5 form an integral part of these financial statements.

Pavilion Square (Scarborough) Limited

Notes to the accounts

for the year ended 30 September 2002

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3. Related party transactions

Advantage is taken of the exemption given in Financial Reporting Standard number 8 "Related Party Disclosures" from the requirement to separately disclose transactions with group companies.

2. Directors' emoluments

None of the directors, who were the only employees, received any emoluments for their services to the company during the current year (2001 - nil).

3. Investments

	Subsidiary Undertakings Shares £	Total £
Cost		
At 30 September 2001 & At 30 September 2002	68,104	68,104
Provisions for diminution in value:		
At 30 September 2001 & At 30 September 2002	42,915	42,915
Net book values		
At 30 September 2002	25,189	25,189
At 30 September 2001	25,189	25,189

3.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Shares held Class	%	Nature of business
Subsidiary undertaking			
The Oak Brewery Company Limited	30,000 Ordinary shares £1 each	100%	Dormant company

Pavilion Square (Scarborough) Limited

Notes to the accounts

for the year ended 30 September 2002

..... continued

4. Debtors	2002	2001
	£	£
Amounts owed by ultimate holding company	44,811	44,811
	<u> </u>	<u> </u>
Amounts owed by group companies have no specific repayment terms and may therefore be repayable after more than one year.		
5. Share capital	2002	2001
	£	£
Authorised equity		
70,000 Ordinary shares of £1 each	70,000	70,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid equity		
70,000 Ordinary shares of £1 each	70,000	70,000
	<u> </u>	<u> </u>
6. Contingent liabilities		
The company has given cross guarantees in respect of group borrowing facilities from its principal bankers. Security given includes a debenture over the whole assets of this company.		
7. Ultimate holding company		
The accounts of this company are included in the consolidated accounts of the ultimate holding company, Broadland Properties Limited, which is incorporated in England. This company is therefore exempt from preparing group accounts.		