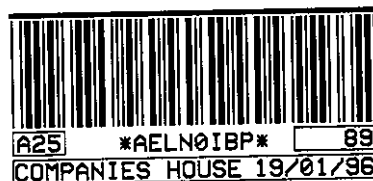


Lytton Homes Limited

Company Information

Directors:	C.J. O'Shea, Esq. A. O'Shea, Mrs. J.M. O'Sullivan, Esq.
Secretary:	J.M. O'Sullivan, Esq.
Registered Office:	Granard Business Centre Bunns Lane Mill Lane London NW7 2DZ
Registration Number:	1128708
Auditors:	Riordan O'Sullivan & Co. Certified Accountants and Registered Auditors 40 Chamberlayne Road London NW10 3JE
Bankers:	AIB Bank West End Branch 10 Berkeley Square London W1X 6DN



Lytton Homes Limited

Report of the Directors

for the year ended 31st March 1995

The directors present their report together with the audited financial statements for the year ended 31st March 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 remains that of property investment.

Directors and their interests

The directors during the year and at the balance sheet date and their interests in shares are set out below:

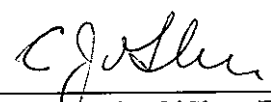
Director	Interest in £1 ordinary shares at 1st April 1994 and 31st March 1995
C.J. O'Shea, Esq.	50,000
A. O'Shea, Mrs.	50,000
J.M. O'Sullivan, esq.	-

A. O'Shea, (Mrs). retires by rotation and being eligible offers herself for re-election.

Auditors

The auditors, Riordan O'Sullivan & Co., have expressed their willingness to continue in office and in accordance with Section 384 of the Companies Act 1985, a resolution proposing their re-appointment will be put to the members at the annual general meeting.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 12th December 1995 and signed on its behalf by:



Chairman
Crohan John O'Shea, Esq.

Auditors' Report to the Shareholders of Lytton Homes Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, 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 judgments 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 consider 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 at 31st March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Riordan O'Sullivan & Co.

Certified Accountants and
Registered Auditors
40 Chamberlayne Road
London
NW10 3JE

12th December 1995

Lytton Homes Limited
Profit and Loss Account
for the year ended 31st March 1995

		<u>1995</u>	<u>1994</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Rent received	2	43,326	69,674
Cost of sales		(9,479)	(7,076)
Gross profit		<u>33,847</u>	<u>62,598</u>
Less:			
Administrative expenses		(2,484)	(2,899)
Operating profit		<u>31,363</u>	<u>59,699</u>
Interest payable	3	(25)	(1,463)
Profit on ordinary activities before taxation		<u>31,338</u>	<u>58,236</u>
Taxation	4	(7,828)	(16,800)
Retained profit for the year		<u>23,510</u>	<u>41,436</u>
Retained profit brought forward		141,140	99,704
Retained profit carried forward		<u><u>164,650</u></u>	<u><u>141,140</u></u>

All of the above results derived from continuing operations.

Statement of total recognised gains and losses

There were no recognised gains or losses other than the profit or loss for the above financial periods.

The notes on pages 6 to 9 form part of these financial statements.

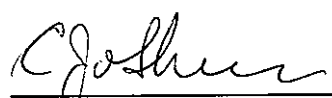
Lytton Homes Limited

Balance Sheet at 31st March 1995

		<u>1995</u>	<u>1994</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Fixed assets			
Tangible assets	6	2,620,001	2,620,001
Current assets			
Debtors	7	112,610	100,650
Creditors: - Amounts falling due within one year	8	(892,539)	(904,089)
Net current liabilities		(779,929)	(803,439)
Net assets		<u>1,840,072</u>	<u>1,816,562</u>
Capital and reserves			
Share capital	9	100,000	100,000
Revaluation reserve		1,575,422	1,575,422
Profit and loss account		164,650	141,140
Shareholders' funds - all equity	10	<u>1,840,072</u>	<u>1,816,562</u>

Advantage has been taken in the preparation of these financial statements of the special exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

The financial statements was approved by the board on 12th December 1995 and signed on its behalf by:

 Director
Crohan John O'Shea, Esq.

The notes on pages 6 to 9 form part of these financial statements.

Lytton Homes Limited

Notes to the financial statements

for the year ended 31st March 1995

1. Accounting policies

Basis of preparation of financial statements:

The financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention as modified by the revaluation of fixed assets.

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.

Depreciation:

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Freehold buildings	-	over 50 years
Plant and machinery	-	over 7 years

Investment properties:

Investment properties are stated at open market valuations. In accordance with Statement of Standard Accounting Practice Number 19 investment properties are not depreciated; the directors consider that this accounting policy, which represents a departure from the statutory accounting requirements, is necessary to provide a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount that might otherwise have been shown cannot be separately identified or quantified.

2. Turnover

Turnover consists of rent receivable exclusive of value added tax, and is derived mainly from lettings to related undertakings.

	<u>1995</u>	<u>1994</u>
3. Interest payable	£	£
Other interest - bank overdraft	<u>25</u>	<u>1,463</u>

4. Taxation

Tax on profits on ordinary activities:	£	£
UK corporation tax at 25% (1994: 25%)	<u>7,828</u>	<u>16,800</u>

Lytton Homes Limited

Notes to the financial statements

for the year ended 31st March 1995

5. Additional information to the profit and loss account

Operating profit for the year was arrived at after charging:	<u>1995</u> £	<u>1994</u> £
Auditors' remuneration	<u>800</u>	<u>881</u>

6. Tangible fixed assets

The movements in tangible fixed assets are set out below:

	Freehold land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 1st April 1994 and at 31st March 1995	<u>2,620,000</u>	<u>5,755</u>	<u>2,625,755</u>
Depreciation			
At 1st April 1994 and at 31st March 1995	<u>-</u>	<u>5,754</u>	<u>5,754</u>
Net book value			
At 31st March 1995 and 31st March 1994	<u>2,620,000</u>	<u>1</u>	<u>2,620,001</u>

Freehold land and buildings are shown at valuation and include investment properties of £445,000 (1994: £445,000).

The directors have reviewed the valuations of all investment and freehold properties and in their opinion the current open market valuations are not materially different from the book value.

If investment freehold properties had not been revalued they would have been included at the following amounts:

	<u>Investment properties</u>		<u>Freehold properties</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Cost	<u>184,298</u>	<u>184,298</u>	<u>761,672</u>	<u>761,672</u>
Aggregate depreciation based on cost	<u>25,214</u>	<u>22,056</u>	<u>96,500</u>	<u>82,500</u>

Lytton Homes Limited

Notes to the financial statements

for the year ended 31st March 1995

	<u>1995</u> £	<u>1994</u> £
7. Debtors		
Amounts owed by related undertakings	111,075	99,075
Other debtors	1,535	1,575
	<u>112,610</u>	<u>100,650</u>

8. Creditors :		
- Amounts falling due within one year	£	£
Bank overdraft (secured)	13,071	1,497
Amounts due to related undertakings	870,230	884,230
Corporation tax	7,828	16,800
Other creditors	1,410	1,562
	<u>892,539</u>	<u>904,089</u>

9. Called up share capital	£	£
Authorised: Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted: Ordinary shares of £1 each fully paid	<u>100,000</u>	<u>100,000</u>

On 30th September 1995 the company acquired the entire issued share capital of C. J. O'Shea and Company Limited as part of a group restructuring. The consideration for the acquisition was the issue of 5,000 ordinary shares of £1 each in exchange for the shares in the acquired company. As part of the restructuring the company also acquired all of the investments in the subsidiaries of C. J. O'Shea and Company Limited.

10. Movements in shareholders' funds	<u>1995</u> £	<u>1994</u> £
Opening shareholders' funds	1,816,562	1,775,126
Profit for the financial year	23,510	41,436
	<u>1,840,072</u>	<u>1,816,562</u>
Closing shareholders' funds		

Lytton Homes Limited

Notes to the financial statements

for the year ended 31st March 1995

11. Deferred taxation

Provision has not been made in these financial statements for the full potential deferred tax liability that would crystallise upon the sale of any of the freehold or investment properties. The total potential liability arising from the revaluation of these properties is £552,430 before relief for indexation allowances.

12. Contingent liabilities

The company has given unlimited bank guarantees in favour of related undertakings.

13. Director's interest

C.J. O'Shea, Esq. has a material interest in transactions between this company and C.J. O'Shea and Company Limited by virtue of his participation in the shares of both companies and also in transactions with C.J. O'Shea (Plant Hire) Limited by virtue of his holdings in its parent undertaking.

14. Post balance sheet events

On the 30th September 1995 this company acquired the entire share capital of C. J. O'Shea and Company Limited by a share for share exchange with its owners C. J. O'Shea, Esq. and Mrs A. O'Shea. As part of this group construction 5,000 new shares were issued and the subsidiary and related shareholdings of C. J. O'Shea and Company Limited were transferred to this company.

Lytton Homes Limited
Financial Statements
year ended 31st March 1995

Company no. 1128708 Registered in England and Wales

Lytton Homes Limited

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