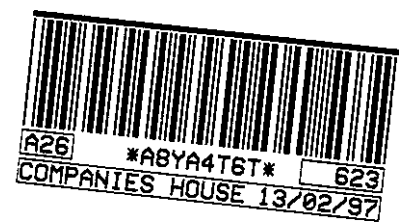


COMPANIES
HOUSE.

2796310

Project Genesis Limited
Financial Statements
for the year ended 30th June 1996



Chairman

J W Fawcett

Registered Office

Woodthorpe Hall
Old Tupton
Chesterfield
Derbyshire
S42 6HJ

Executive Directors

J W Fawcett
Mrs C W Fawcett
Emeritus Professor B Smythe
Reverend J Hogarth

Secretary

Mrs C W Fawcett

Auditors

Mitchells
93-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

Bankers

Midland Bank plc
42 Middle Street
Consett, County Durham
DH8 5QL

Solicitors

Clifford Chance

Robert Muckle

Page No.

1 and 2	Directors' Report
3	Auditors' Report
4	Auditors' Report
5	Profit and Loss Account
6	Balance Sheet
7 to 10	Notes to the Financial Statements

The directors submit their report together with the audited financial statements for the year ended 30th June 1996.

Results and dividends

The trading loss for the year after taxation was £991 all of which has been transferred from reserves.

The directors do not recommend the payment of a dividend.

Principal activity

The principal activity of the company is property development.

Review of business and future developments

The company during the year continued its agreement with the Derwentside District Council for the development of land in Consett and surrounding areas. Preliminary expenses have been incurred by the company relating to this development.

Directors and their interests

The directors of the company at 30th June 1996, all of whom have been directors for the whole period, except as disclosed, were as follows:

J W Fawcett
Mrs C W Fawcett
Emeritus Professor B Smythe
Reverend J Hogarth

The directors had no direct interest in the shares of the company at 30th June 1996, according to the register required to be kept by Section 325 of the Companies Act.

Emeritus Professor Smythe and Reverend Hogarth have an indirect interest in the company by virtue of the fact that they are trustees of Project Genesis Nominees Limited which held 1 'B' share at 30th June 1996.

Dysart Developments Limited, however, a company in which Mr and Mrs Fawcett are the only shareholders, held 1 'A' share at 30th June 1996.

Cashflow statement

In the opinion of the directors the company qualifies as a small company and as such no cashflow statement has been prepared.

Directors' statement

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 loss for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

Auditors

The Auditors, Mitchells Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:



Mrs C W Fawcett, Secretary

Date: 3 February 1997 .

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 30th June 1996

We have audited the financial statements on pages 5 to 10, which have been prepared under the historical cost convention, and the accounting policies set out on page 7.

Respective responsibilities of the directors and auditors

As described on page 2 the company's directors are 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.

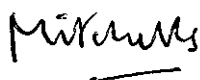
Basis of opinion

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 directors in the preparation of the financial statements and 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 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 30th June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Mitchells
Chartered Accountants
and Registered Auditors**

Date: 3 February 1997

93-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

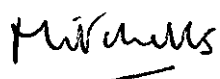
We have examined the financial statements of the company and its subsidiary for the year ended 30th June 1996.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.

Mitchells 

Chartered Accountants
and Registered Auditors

93-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

Date: 3 February 1997

Project Genesis Limited
Profit and Loss Account
for the year ended 30th June 1996

	Notes	1996 £	1995 £
Turnover	2	27,588	10,205
Operating costs		(29,167)	(12,277)
Other operating income		276	4
Operating loss	3	(1,303)	(2,068)
Interest payable	4	-	(1)
Loss on ordinary activities before taxation		(1,303)	(2,069)
Tax on loss on ordinary activities	5	312	264
Loss on ordinary activities after taxation		(991)	(1,805)
Retained loss transferred from reserves	12	(991)	(1,805)

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year and all profits/losses have been accounted for on an historical cost basis.

Project Genesis Limited

Balance Sheet

as at 30th June 1996

	Notes	1996 £	1996 £	1995 £	1995 £
Fixed assets					
Investments	6		1		1
Current assets					
Long term work in progress	8	(47,291)		8,591	
Debtors	9	41,701		264	
Cash at bank and in-hand		28,249		78	
		<u>22,659</u>		<u>8,933</u>	
Creditors:					
Amounts falling due within one year	10	<u>25,454</u>		<u>10,737</u>	
Net current liabilities			(2,795)		(1,804)
Total assets less current liabilities			<u>(2,794)</u>		<u>(1,803)</u>
Capital and reserves					
Share capital	11		2		2
Profit and loss account	12		(2,796)		(1,805)
			<u>(2,794)</u>		<u>(1,803)</u>

These financial statements were approved by the board on 3 February 1997 and signed upon its behalf by:



J W Fawcett



Mrs C W Fawcett
Directors

1 Principal accounting policies

Accounting convention

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Group accounts

The company has taken advantage of the legal dispensation allowing it not to prepare and publish group accounts, as it is a wholly owned subsidiary of another United Kingdom registered company.

Investments in subsidiary companies

Investments in subsidiary companies are stated at the cost of acquisition. Provision is made against investments where their value at the balance sheet date is lower than cost.

Long-term contracts

Turnover on long term contracts represents total costs incurred plus attributable profit for each development. Profits are included in the financial statements when a legally binding contract for the sale of the development has been entered into and the outcome of the development can be determined with reasonable certainty. Profits attributable to a financial period are calculated by reference to the proportion of a development's construction costs incurred in that period. Provision is made for losses on long term contracts as soon as such losses become apparent.

The amount by which payments on account exceed turnover is shown under current liabilities and where turnover exceeds payments on account the difference is shown under debtors as amounts recoverable on contracts.

Costs on long term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown as long term work in progress.

Deferred taxation

Provision is made for deferred taxation under the liability method, at the rate of corporation tax ruling at the end of the financial year, except to the extent that any tax reduction will continue for the foreseeable future. In the opinion of the directors the amounts are not material and accordingly no deferred taxation has been provided.

2 Turnover

The turnover and operating loss for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating loss

The operating loss is stated after charging:

	1996 £	1995 £
Auditors' remuneration	1,000	1,500

4 Interest payable

	1996 £	1995 £
Bank loans, overdrafts and other loans repayable within five years	-	1

5 Taxation on loss on ordinary activities

	1996 £	1995 £
Based on the loss for the year:		
Consortium relief receivable	(312)	(264)

6 Fixed asset investments

	Unlisted share £	Total £
Cost		
At 1st July 1995	1	1
At 30th June 1996	1	1

7 Principal fixed asset investments

The company holds more than 10% of the share capital of the following:

Name	Country of registration (or incorporation) and operation	Class of share	Proportion held	Nature of business
Subsidiary undertaking:				
Project Genesis (Town Centre) Limited	England	Ordinary	100%	Property development

At 30th June 1996 Project Genesis (Town Centre) Limited had retained profits of £nil and net assets of £1.

8 Long term work in progress

	1996	1995
	£	£
Contract costs	10,381	75,309
Less payments on account	(57,672)	(66,718)
	<u>(47,291)</u>	<u>8,591</u>

9 Debtors

	1996	1995
	£	£
Trade debtors	41,125	-
Amounts owed by group company	576	264
	<u>41,701</u>	<u>264</u>

10 Creditors: amounts falling due within one year

	1996	1995
	£	£
Trade creditors	20,788	8,737
Other taxes and social security	1,166	-
Accruals and deferred income	3,500	2,000
	<u>25,454</u>	<u>10,737</u>

30th June 1996

11	Share capital	1996	1995
		£	£
	Authorised 'A' shares of £1 each	50	50
	Issued and fully paid 'A' shares of £1 each	1	1
	Authorised 'B' shares of £1 each	50	50
	Issued and fully paid 'B' shares of £1 each	1	1
12	Statement of reserves		Profit and Loss Account
			£
	At 1st July 1995		(1,805)
	Loss for the year		(991)
	At 30th June 1996		(2,796)
13	Reconciliation of movements in shareholders' fund	1996	1995
		£	£
	Loss for the financial year	(991)	(1,805)
	Net (reduction in) shareholders' funds	(991)	(1,805)
	Opening shareholders' funds	(1,803)	2
	Closing shareholders' funds	(2,794)	(1,803)
14	Ultimate holding company		

The directors consider Dysart Developments Limited, a company incorporated in England and Wales, to be the ultimate holding company.