

Company No: 3037726

FAIRHOLD (HUDDERSFIELD) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 1996



FAIRHOLD (HUDDERSFIELD) LIMITED

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FAIRHOLD (HUDDERSFIELD) LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited financial statements for the nine month period ended 31st December 1996.

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial period 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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 enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors 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.

Change of name

The Company changed its name on 2nd May 1996 from Curzon Originator Limited to Pavement Properties Limited and again on 15th May 1996 to Fairhold (Huddersfield) Limited.

Activity

The principal activity of the Company during the financial period was property dealing.

Business review and future developments

The Directors are satisfied with the result for the period and the financial position at the period end. They consider the Company's prospects to be sound.

Dividends

The Directors do not recommend the payment of a dividend.

Directors and their interests

The Directors who served during the period and their interests, as defined in the Companies Act 1985, in the shares of the Company at 31st December 1996 were as follows:

		Ordinary shares of £1 each
W K Procter	(appointed 2.7.96)	-
V A Tchenguiz		-
R M Spiro		-
I G Hutchinson	(resigned 10.1.97)	-

V A Tchenguiz, W K Procter and R M Spiro are also directors of the United Kingdom holding company, Owners Provident Plc, and their interests therein are shown in that company's directors' report.

FAIRHOLD (HUDDERSFIELD) LIMITED

REPORT OF THE DIRECTORS

Auditors

Pursuant to an elective resolution the Company has elected not to re-appoint its auditors annually and Casson Beckman will continue in office in accordance with the provisions of Section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD

W K Procter



Director

13th June 1997

FAIRHOLD (HUDDERSFIELD) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF FAIRHOLD (HUDDERSFIELD) 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 in the Directors' report, 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 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 at 31st December 1996 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



CASSON BECKMAN

Chartered Accountants
and Registered Auditors

Hobson House
155 Gower Street
London WC1E 6BJ

13th June 1997

FAIRHOLD (HUDDERSFIELD) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 1996**

	Notes	1.4.96 to 31.12.96 £	24.3.95 to 31.3.96 £
Turnover		195,339	-
Cost of sales		(66,573)	-
Gross profit		128,766	-
Administrative expenses	2	(87,270)	-
Other operating income		95,096	-
Operating profit		136,592	-
Interest payable	3	(68,899)	-
Interest receivable		416	-
Profit on ordinary activities before taxation		68,109	-
Tax on profit on ordinary activities	4	-	-
Retained profit for the financial period	11	£68,109	£ -

There are no recognised gains or losses other than the profit for the financial period.

Operating profit all derives from continuing operations.

FAIRHOLD (HUDDERSFIELD) LIMITED

BALANCE SHEET

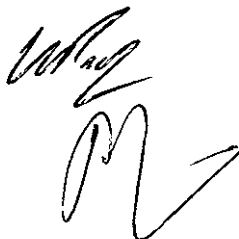
AT 31ST DECEMBER 1996

	Notes	31.12.96	31.3.96
		£	£
Fixed assets			
Investments	5	611,556	-
Current assets			
Stock	6	1,453,500	-
Debtors	7	280,275	2
Cash at bank and in hand		5,050	-
		<u>1,738,825</u>	<u>2</u>
Creditors: Amounts falling due within one year	8	<u>(812,010)</u>	<u>-</u>
Net current assets		926,815	2
Total assets less current liabilities		<u>1,538,371</u>	<u>2</u>
Creditors: Amounts falling due after more than one year	9	<u>(1,470,260)</u>	<u>-</u>
		<u>£ 68,111</u>	<u>£ 2</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	68,109	-
		<u>£ 68,111</u>	<u>£ 2</u>

Approved by the Board on 13th June 1997 and signed on its behalf by

W K Procter - Director

R M Spiro - Director



FAIRHOLD (HUDDERSFIELD) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 1996

1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Investments

Investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

Group accounts are not prepared as the Company is itself a wholly-owned subsidiary undertaking.

Stocks

Properties acquired with a view to development and resale are identified as trading stock and stated at the lower of cost and net realisable value. Cost includes the cost of acquisition and development including directly attributable fees, expenses and finance costs.

Recognition of profit

Profit on the sale of properties is recognised on agreement of the sale.

Deferred taxation

Deferred taxation is calculated on the liability method. It is provided to the extent that it is considered, with reasonable probability, that a liability will become payable within the foreseeable future.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the periods of the leases.

2. Administrative expenses

	1.4.96 to 31.12.96 £	24.3.95 to 31.3.96 £
Administrative expenses include:-		
Auditors' emoluments	3,000	-
Directors' emoluments	-	-

FAIRHOLD (HUDDERSFIELD) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 1996

3. Interest payable

	1.4.96 to 31.12.96 £	24.3.95 to 31.3.96 £
Bank overdraft	68	-
Bank loans	50,400	-
Other loans	18,356	-
Late completion	75	-
	<u>£68,899</u>	<u>£ -</u>

4. Taxation

There is no charge to taxation due to the availability of group relief.

5. Fixed asset investment

	Investment in subsidiary
Cost and net book value	
Additions and at 31st December 1996	<u>£611,556</u>

The subsidiary undertaking is West Lancashire Investments Limited, which is wholly-owned and is engaged in property dealing.

	31.12.96	31.3.96
6. Stock		
Properties held for resale	<u>£1,453,500</u>	<u>£ -</u>
7. Debtors	31.12.96 £	31.3.96 £
Trade debtors	100,762	-
Amounts owed by group undertakings	122,449	2
Other debtors	10,444	-
Prepayments and accrued income	46,620	-
	<u>£280,275</u>	<u>£ 2</u>

FAIRHOLD (HUDDERSFIELD) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 1996

8. Creditors: Amounts falling due within one year	31.12.96 £	31.3.96 £
Bank loans (see note 9)	132,500	-
Other creditor	521,743	-
Accruals and deferred income	83,292	-
Amounts owed to group undertakings	74,475	-
	<u>£ 812,010</u>	<u>£</u>

9. Creditors: Amounts falling due after more than one year	1996	1995
Bank loans	<u>£1,470,260</u>	<u>£ -</u>

The loans are secured on certain of the Company's trading properties. They bear interest at fixed rates of between 8.9125% and 9.3825% on £1,000,000 and at a floating rate of 1.5% over the bank's base rate on the balance. The loans are repayable as follows:

Within one year	132,500
Within one to two years	137,500
Within two to five years	1,332,760
	<u>1,602,760</u>
Less: included in current liabilities	<u>(132,500)</u>
	<u>£1,470,260</u>

10. Share capital	31.12.96	31.3.96
Authorised:		
100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	<u>£ 2</u>	<u>£ 2</u>

FAIRHOLD (HUDDERSFIELD) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 1996

11. Reserves and reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss account £	Total shareholders' funds £
Opening shareholders' funds	2	-	2
Profit for the financial period	-	68,109	68,109
Closing shareholders' funds	£2	£68,109	£68,111

12. United Kingdom holding company

The company's closest intermediate holding company for which group accounts are drawn up is Owners Provident plc which is registered in England and Wales. This parent undertaking is the holding company of both the largest and smallest group for which group accounts are prepared and of which the company is a member. Copies of the financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

13. Ultimate holding company

The directors regard the ultimate holding company to be Euro Investments Overseas Inc., a company incorporated in the British Virgin Islands.

14. Controlling party

The directors are unable to identify the ultimate controlling party, which is believed to be a trust.