ANNUAL REPORT AND

FINANCIAL STATEMENTS

BARTLETT DEVELOPMENTS LIMITED

FOR THE YEAR ENDED

31ST MARCH 1997

REGISTERED No. 1499944

BARTLETT DEVELOPMENTS LIMITED

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FOR THE YEAR ENDED 31ST MARCH 1997

INDEX

BARTLETT DEVELOPMENTS LIMITED

COMPANY INFORMATION

DIRECTORS	N R S Timmis
	W M McLaughlin
	Mrs G R Timmis
SECRETARY	I P Bowker
AUDITORS	Berkeley Jackson Langtry's House 70 Hendford Yeovil Somerset BA20 1UR
REGISTERED OFFICE	15 Church Street Oldbury Warley West Midlands

BARTLETT DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Annual Report and Audited Financial Statements for the year ended 31st March 1997.

PRINCIPAL ACTIVITIES

The Company is based in the United Kingdom and its principal activities are those of Industrial and Commercial Property Developers, together with the management of Industrial and Commercial units. There has been no significant change in the Company's activities during the year.

REVIEW OF THE BUSINESS

The industrial unit property market still remains depressed and no further units have been sold in the current year.
Income in year has increased , but despite the continued control of overheads an increase in net interest payable as a result of various properties purchased for redevelopment, has resulted in a reduced profit before taxation.

RESULTS AND DIVIDEND

Detailed results for the year are as shown in the Financial Statements on pages 6 to 15.
The Directors do not recommend the payment of a dividend.

DIRECTORS AND SHARE INTEREST

The Directors of the Company who served during the year and their interests (including the interests of Wives and Infant children where applicable) in shares in the Company are as follows:-

	Class of Shares	As at 31/3/96 Shares	As at 31/3/97 Shares
A R S Timmis (Chairman)	A Ordinary	277	11
Mrs S M D Timmis	A Ordinary	139	11
N R S Timmis	A Ordinary	277	356
N R S Timmis	B Ordinary	60	60
Mrs G R Timmis		-	-
W M McLaughlin		-	-

A R S Timmis and Mrs S M D Timmis resigned as Directors of the Company with effect from 1st August 1997.

BARTLETT DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

RESEARCH AND DEVELOPMENT

The Company, being an Associate of the Bartlett Construction Group Limited, has the availability of the results of the Research and Development carried out by the Group as a whole.

FUTURE DEVELOPMENTS

The Company continues to actively market its development properties despite the difficult market conditions.

AUDITORS

Berkeley Jackson have indicated their willingness to continue as auditors. In accordance with Section 385 of the Companies Act 1985, a resolution proposing their re-appointment will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

N. R. S. Timmis
Director

31st October 1997

BARTLETT DEVELOPMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under Company law 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- 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.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable us to ensure that the Financial Statements comply with the Companies Act 1985. We 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' REPORT TO THE MEMBERS OF

BARTLETT DEVELOPMENTS LIMITED

We have audited the Financial Statements on pages 6 to 15, which have been prepared under the historical cost convention, and the accounting policies set out on pages 8 and 9.

Respective Responsibilities of Directors and Auditors

As described on page 4, 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 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 error or other irregularity. 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 the 31st March 1997, and of its Profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Berkeley Jackson

BERKELEY JACKSON
Registered Auditors
Chartered Accountants
Langtry's House
70 Hendford
Yeovil
Somerset

31st October 1997

BARTLETT DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the Year ended 31st March 1997

	NOTES		1997 £		1996 £
TURNOVER	1		381,796		605,979
Changes in Building Stocks and Work-in-Progress			1,027,869		179,119
			1,409,665		785,098
Other Operating Income	2		1,519		146,417
			1,411,184		931,515
External Charges			1,099,328		533,222
			311,856		398,293
Staff Costs	3	77,430		127,140	
Other Operating Charges		44,893		59,933	
			122,323		187,073
OPERATING PROFIT for the year	4		189,533		211,220
Interest Receivable		9,172		56,354	
Interest Payable and Similar charges	5	181,805		166,267	
			(172,633)		(109,913)
PROFIT ON ORDINARY ACTIVITIES before Taxation			16,900		101,307
Tax on Profit on Ordinary Activities	6		(5,990)		(97)
PROFIT ON ORDINARY ACTIVITIES after Taxation			10,910		101,210
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	12		10,910		101,210

Movements in Reserves are shown in Note 12.

None of the Company's activities were acquired or discontinued during the above Financial Year

There are no recognised gains or losses in 1997 or 1996 other than profit for the year.

The notes on pages 8 to 15 form part of these Financial Statements

BARTLETT DEVELOPMENTS LIMITED

BALANCE SHEET

31st March 1997

	NOTES		1997 £		1996 £
CURRENT ASSETS					
Stocks and Work-in-progress	7	4,037,347		3,009,477	
Debtors	8	223,731		126,067	
Cash at Bank and in Hand		29,017		0	
		4,290,095		3,135,544	
CREDITORS					
Amounts Falling Due Within one year	9	3,538,969		2,404,548	
NET CURRENT ASSETS			751,126		730,996
TOTAL ASSETS LESS CURRENT LIABILITIES			751,126		730,996
CREDITORS					
Amounts Falling Due After more than one year	10		63,995		54,775
			687,131		676,221
CAPITAL AND RESERVES					
Called Up Share Capital	11		2,000		2,000
Reserves	12		685,131		674,221
TOTAL SHAREHOLDERS FUNDS	13		687,131		676,221

APPROVED BY THE BOARD OF DIRECTORS

N.R.S. TIMMIS
DIRECTOR

DATED : 31st October 1997

The notes on pages 8 to 15 form part of these Financial Statements

BARTLETT DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

a. ACCOUNTING CONVENTION

The Financial Statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

b. TURNOVER

Turnover represents the amount of sales and work invoiced including rents collected on properties held for resale, excluding Value Added Tax and Work-in-Progress. Rent and other income received in respect of properties held for resale is included in turnover on a straight line basis over rent review periods.

c. STOCKS AND WORK-IN-PROGRESS

Stocks

(i) Land undeveloped, where no planning application has been made, is valued at the lower of cost and the estimated net realisable value of each individual holding.

(ii) Completed industrial units are valued at the lower of cost and valuation on the basis of net realisable value, subject to existing tenancies.

Work-in-progress

(i) Work-in-progress in respect of buildings under construction for speculative trading is valued at the lower of cost and net realisable value. Cost comprises the costs attributable to the land, including expenditure on roadways and buildings under construction.

d. DEFERRED TAXATION

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, except where it is probable that a liability will not crystallise. In establishing the pattern of likely future tax liabilities, the Directors undertake a review at the Balance Sheet date of past investment patterns and expected future levels of capital expenditure and depreciation. The provision is established at the Corporation Tax rates anticipated to be applicable at the time each deferred liability will ultimately crystallise, based on rates of tax currently in force.
Advance Corporation Tax which is available to reduce the Corporation Tax payable on future profits is deducted from the provision for Deferred Taxation.

BARTLETT DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

e. PENSIONS

The Company operates a Defined Contribution Pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions are charged to the Profit and Loss account as they become payable, in accordance with the rules of the scheme.

f. CASH FLOW STATEMENT

As the Company is a small company as defined by Section 247 of the Companies Act 1985 no Cash Flow Statement is presented.

BARTLETT DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

The Directors are of the opinion that the Company carries on one class of business, all of which is performed in the United Kingdom and therefore no further analysis is provided.

2. OTHER OPERATING INCOME

	1997 £	1996 £
Sundry Income	1,519	146,417

3a. STAFF COSTS

	1997 £	1996 £
Wages and Salaries	76,300	70,277
Social Security costs	1,130	6,863
Pension costs - Defined Contribution scheme	-	50,000
	77,430	127,140

The average weekly number of employees during the period was made up as follows :-	No.	No.
Service, Administrative and Directors	5	6

3b. DIRECTORS' REMUNERATION

	1997 £	1996 £
Fees and Other Emoluments	76,300	67,277
Pension costs - Defined Contribution scheme	-	50,000
	76,300	117,277

4. OPERATING PROFIT

	1997 £	1996 £
The Operating Profit is stated after charging :-		
Auditors' Remuneration	**2,750**	4,000
And after crediting Rental Income	**381,186**	339,679

5. INTEREST PAYABLE AND SIMILAR CHARGES

Bank Loans and Overdrafts	**47,494**	62,879
Other Loans	**134,311**	103,388
	181,805	166,267

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The Taxation charge is made up as follows:-

Based on Profit for the period :-		
Corporation Tax at 24% (1996 25%)	**5,990**	-
Taxation under/(over) provided in previous years:-		
Corporation Tax	**-**	97
	5,990	97

7. STOCKS AND WORK-IN-PROGRESS

Work-In-Progress	**1,346,786**	798,419
Stocks:-		
Land Stocks held for Development	**106,476**	106,476
Building Stocks held for Resale	**2,584,085**	2,104,582
	4,037,347	3,009,477

The replacement cost of Land and Buildings is likely to be in the region of £5,617,000 (1996 £4,523,000).

8. DEBTORS

	1997	1996
	£	£
Trade Debtors	**11,111**	8,729
Corporation Tax Repayable	**20,514**	20,514
Other Debtors	**192,106**	95,761
Prepayments	**-**	1,063
	223,731	126,067

Included in Other Debtors is an amount of £79,026 repayable in monthly instalments of £1,500, including interest, and therefore £67,626 is receivable after more than one year.

9. CREDITORS

Amounts falling due within one year:-

Bank Loans and Overdraft	**596,250**	787,163
Other Loans	**689,491**	1,030,724
Trade Creditors	**30,042**	13,061
Corporation Tax	**5,990**	-
Other Taxes and Social Security	**1,130**	29,877
Other Creditors	**2,164,114**	510,311
Accruals and Deferred Income	**51,952**	33,412
	3,538,969	2,404,548

The Bank Loans and Overdraft are secured by a scheduled mortgage debenture dated 29th November 1990 including a charge over the assets of the Company, and a legal charge charge over parcels of land owned by the Company.

10. CREDITORS

Amounts falling due after more than one year:-

Sinking Funds	**63,995**	54,775

11. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised:-		
Equity		
50,000 'A' Ordinary Shares of £1 each	**50,000**	50,000
50,000 'B' Ordinary Shares of £1 each	**50,000**	50,000
	100,000	100,000
Allotted, Called up and Fully paid:-		
Equity		
1,000 'A' Ordinary Shares of £1 each	**1,000**	1,000
1,000 'B' Ordinary Shares of £1 each	**1,000**	1,000
	2,000	2,000

See note 17 for summary of rights of different classes of share.

12. RESERVES

Profit & Loss Account	£
As at 31st March 1996	**674,221**
Retained profit for the year	**10,910**
As at 31st March 1997	**685,131**

Under the terms of a special resolution dated 4th March 1991, £455,484 of the Company's profit and loss account is attributable to the holders of the 'A' ordinary shares, and £229,647 to the holders of the 'B' ordinary shares.

13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS

	1997 £	1996 £
Profit for the Financial year	**10,910**	101,210
Opening Shareholders Funds	**676,221**	575,011
Closing Shareholders Funds	**687,131**	676,221

14. CONTINGENT LIABILITIES

There are contingent liabilities as follows:-

Performance Bonds for £35,000 (1996: £70,000) in favour of the Company's Bankers in connection with the construction of roads and sewers by the Company.

15. CAPITAL COMMITMENTS

Capital commitments contracted for but not provided for at 31st March 1997 were £ nil (1996: £ nil), and no capital expenditure had been authorised by the Directors which had not been contracted for (1996: £ nil).

16. DEFERRED TAXATION

	Provided		Not Provided	
	1997	1996	1997	1996
	£	£	£	£
Other Timing Differences	-	-	**(2,289)**	(2,289)
	-	-	**(2,289)**	(2,289)

17. SUMMARY OF RIGHTS OF DIFFERENT CLASSES OF SHARES

(i) Voting: The 'A' Ordinary Shares carry full voting rights, the 'B' Ordinary Shares carry no voting rights.

(ii) Dividends: The holders of the 'A' Ordinary Shares have the right to receive in full any dividend paid by the company up to £62,500 as adjusted for movements in the RPI since March 1991. Any dividend paid in excess of this amount is divided equally between the two classes of shares, except with the prior written consent of not less than 75% of the members of all classes of the shareholders voting together in general meeting.

(iii) Winding Up: Upon a winding up the surplus of assets shall be distributed in the following order of priority

(a) Repayment of capital to 'A' shareholders.
(b) Repayment of capital to 'B' shareholders.
(c) Repayment of balance of 'A' reserve to 'A' shareholders.
(d) Repayment of balance of 'B' reserve to 'B' shareholders.
(e) Repayment of retained profit to 31 December 1990 to 'A' shareholders.
(f) Any remaining balance to 'B' shareholders.

18. RELATED PARTIES

The following Companies, who have had material transactions with Bartlett Developments Ltd, are related parties by virtue of A. R. S. Timmis and N. R. S. Timmis being Directors and majority shareholders of those Companies.

Trading during the year and balances at the year end were as follows :-

Purchases of goods and services by the Company in the ordinary course of business from :-

	£
Bartlett Construction Group Ltd.	47,201
F R Bartlett Ltd.	112,300
	159,501

Balances as at 31st March 1997 shown as :-

Other Creditors (Note 9)

Bartlett Construction Group Ltd.	**1,909,742**

Directors Loan Accounts shown as :-

Loans (Note 9)

Balance as at 1st April 1996	1,030,724
Funds Introduced in year	77,766
Funds Withdrawn in year	(469,000)
Balance as at 31st March 1997	**639,490**

19. CONTROLLING PARTIES

The Company is controlled by its Directors by virtue of the fact that they and members of their close family own 68.5% of the 'A' Ordinary shares.