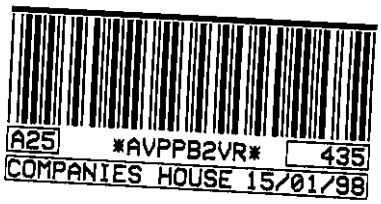
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FORWARD DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors present their annual report and accounts for the year ended 31st March 1997.

ACTIVITIES

The principal activity of the Company was that of Property Development, the provision of finance and the farming.

REVIEW OF BUSINESS

The result for the year, financial position of the Company, and the recommended transfer to reserves are as shown in the annexed accounts.

DIVIDENDS

No dividend is proposed.

DIRECTORS

The Directors in office during the period and their beneficial interest in the issued share capital was as follows:-

Name	Class of Capital	31.03.96	31.03.97
P.P.Sweeney Esq	Ordinary £1	10236	10236
Mrs.D. F. Sweeney	Ordinary £1	4034	4034
R.H.P. Sweeney Esq	Ordinary £1	1030	1030

CLOSE COMPANY

In the opinion of the directors the company is a close company within the provisions of the Income and Corporation Taxes Act 1970

AUDITORS

The Auditors, K Rahaman & Co, will be proposed for re-appointment in accordance with Section 14(1) of the Companies Act 1976.

Date: 20.11.1997

Signed on Behalf of the Board

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REPORT OF THE AUDITOR TO THE MEMBERS OF

FORWARD DEVELOPMENTS LIMITED

We have audited the annexed accounts. Our audit was conducted in accordance with the approved Auditing Standards having regard to the matters referred to the following paragraphs.

In common with many businesses of the similar size and organisation, the Company's system of internal control is dependant upon the close involvement of Directors who are the majority shareholders. Where the independent confirmation of the completeness of the accounting records was not available, we have accepted assurance from Directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion, the accounts which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs as at 31st March 1997 and of its results for the year ended and comply with the Companies Act 1985 in so far as the provisions of those Acts apply to these financial statements.

K Rahaman & Co.

K RAHAMAN & CO
CERTIFIED ACCOUNTANTS
96 AUDLEY ROAD
LONDON NW4 3HG

DATED 20.11.1997

FORWARD DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1997

ACCOUNTING POLICIES

Basis of Accounting
The accounts have been prepared under the historical cost convention.

Tangible Fixed Assets
Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Fixtures and Fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks:
Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

OTHER INCOME:

	1996 £	1997 £
Rents Received	165932	146572

OPERATING PROFIT:

The operating profit is stated after charging:

	1996 £	1997 £
Directors Remuneration	14680	6062
Auditor's Remuneration	500	500

INTEREST RECEIVABLE :	1996 £	1997 £
Deposit Account Interest	17464	18022

INTEREST PAYABLE:	1996 £	1997 £
Interest payable on short term borrowing	482	4763

TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures Fittings £	Motor Vehicle £	Totals £
COST:				
As at 1st April 1996	1613156	1869	37998	1653023
Addition	199218	0	0	199218
Disposal at cost	0	0	0	0
AS AT 31ST MARCH 1997	**1812374**	**1869**	**37998**	**1852241**
DEPRECIATION:				
As at 1st April 1996	0	1326	26964	28290
Charge for Year	0	81	2760	2841
AS AT 31ST MARCH 1997	**0**	**1407**	**29724**	**31131**
NET BOOK VALUES:				
As at 1st April 1996	1613156	543	11034	1624733
AS AT 31ST MARCH 1997	**1812374**	**462**	**8274**	**1821110**

DEBTORS:

	1996 £	1997 £
Debtors & Prepayments	0	2901
Forward Livestock Limited	12336	0
Mortgage	60000	60000
	72336	**62901**

CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1997 £
Directors Current Account	479511	537593
Accrued Expenses	39302	20969
Amount due to Associated Co	15892	0
	534705	558562
Taxation	46403	31263
Proposed Dividend	44054	44054
£	625162	**633879**

TAXATION:

The tax charge on the profit on the ordinary activities for the year was as follows:

	1996	1997
	£	£
UK Corporation Tax at current rates on the adjusted results of the year	**39715**	**26377**

The charge for the year has been increased by expenditure not allowable for taxation.

SCHEDULE OF FREEHOLD PROPERTIES

		01.04.96	Movement	31.03.97
North Court Farm, Kent		24211		24211
7 Market Place Kirbymoorside, York		37518		37518
Farms (5) Helmsley, York		138231		138231
North Waltham Park, Hants		183866		183866
Schoolhouse & Land Helmsley, York		78677	8867	87544
Industrial Land Helmsley, York		187412		187412
Warehouse, Helmsley, York		234129	5657	239786
Old Railway Station Helmsley, York		102178		102178
23 Calleva Close, Hants		89008		89008
Other Properties		67306	29000	96306
Little Crane, Rooksdown Hill, Hants		218621	3000	221621
Folly Farm			152694	152694
Tideworth Country Club, Nth Tidworth		162573		162573
Ballycronigan,Co.Wexford		79818		79818
Land at Eythorne ,Kent		9608		9608
TOTAL	**£**	**1613156**	**199218**	**1812374**

FORWARD DEVELOPMENTS LIMITED

1996				
	BALANCE SHEET AS AT 31ST MARCH 1997			
	ASSETS EMPLOYED			
1624733	**FIXED ASSETS - NOTE**			**1821109**
	CURRENT ASSETS			
29000	Stocks		0	
72336	Debtors - Note		62901	
156369	Investment - Shares		0	
425586	Cash at Bank and in Hand		564671	
683291			**627572**	
	LESS: CURRENT LIABILITIES			
625162	Amounts falling due within one year - note		**633879**	
58128	**NET CURRENT LIABILITIES/ASSETS**			-6307
1682861	**ASSETS EMPLOYED**		**£**	**1814802**
	Represented by:			
	SHARE CAPITAL			
18300	Authorised: Ordinary Shares of £1 each Issued and Fully paid	£20,000		18300
	RESERVES			
769226	CAPITAL	Profit		769226
	REVENUE			
895335	Retained Profit			1027276
1682861			**£**	**1814802**

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DIRECTORS

APPROVED BY THE BOARD

FORWARD DEVELOPMENTS LIMITED

PROFIT AND LOSS APPROPRIATION ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1997

1996				
139179	**TRADING PROFIT**			126726
	After Charging			
14200	Director's Emoluments (Including Chairman's Emolument)		6062	
5017	Depreciation		2841	
500	Auditor's Remuneration		500	
139179	**PROFIT BEFORE TAXATION**			126726
39715	**TAXATION**			26377
99464	**PROFIT AFTER TAXATION**			100349
1202	**ADD:-**	Dividend Received during the Year		236
0		Profit on sale of shares		31356
100666				131941
794669	**RETAINED PROFIT AT 1ST APRIL 1996**			895335
895335	**RETAINED PROFIT CARRIED TO BALANCE SHEET £**			**1027276**

FORWARD DEVELOPMENTS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH 1997

1996				
		INCOME		
	165932	Rents Received	146572	
	1000	Mortgage Interest	5500	
184396	17464	Deposit Interest	18022	170094
		EXPENDITURES		
	265	Telephone	399	
	14680	Directors Remuneration	6062	
	3340	Salaries	3881	
	1196	Light and Heat	1654	
	1221	Rates and Water	2025	
	2615	Motor and Travel Expenses	6199	
	820	Sundry Expenses	576	
	1400	Auditors Remuneration	1400	
	935	Management Fee	635	
	3190	Insurance	3353	
	9052	Repairs and Renewals	8275	
40961	2247	Professional and Agents Fee	1305	35764
143435				134330
		FINANCE COSTS		
482		Bank Interest		4763
142953				129567
		DEPRECIATION		
	96	Fixtures and Fittings	81	
3774	3678	Motor Vehicles	2760	2841
139179		**NET PROFIT FOR THE YEAR**	£	**126726**

.....AGREED AND APPROVED