LUFF DEVELOPMENTS LIMITED

AND SUBSIDIARY COMPANIES

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1994

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LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

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FOR THE YEAR ENDED 31ST JULY 1994

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LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS:	P Luff Mrs J M Luff G B Newman H Row D W Ferrar
SECRETARY:	D W Ferrar
REGISTERED OFFICE:	Holborn Hall, 100 Grays Inn Road, London WC1X 8BY
COMPANY NUMBER:	958763

DIRECTORS' REPORT

The directors present their Report and the Financial Statements of the group for the year ended 31st July 1994.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW:

The principal activities of the group were those of property development, building construction, joinery and other associated building operations, farming, hoteliers and garage proprietors.

The results for the year reflect the continued depressed state of the property market. Although recession and economic activity made operating conditions very difficult, the group returned to profit but took advantage of this to adjust its property assets to reflect current values. The signs of upturn in the economy are now clearly evident not least in the property section where the reduction in interest rates has lead to lower property investment yields and therefore a beneficial effect on capital values. A number of property disposals have taken place since the year end and the group is better placed to take advantage of the improving market.

RESULTS AND DIVIDENDS:

Group profit for the year amounted to £877,344. The directors do not recommend the payment of a dividend for the year under review.

FIXED ASSETS:

Changes in fixed assets are shown in Notes 5 and 6 to the financial statements.

MARKET VALUE OF LAND AND BUILDINGS:

The directors are of the opinion that the present market value of the group's interest in land and buildings held as fixed assets at the balance sheet date is in excess of their book value but consider that the expense of a professional valuation is not justified.

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

(Continued)

DIRECTORS' INTERESTS IN SHARES:

The names of the directors who held office throughout the year, together with details of their interests in the shares of the company were:

Name of Director	At end of year Shares	At beginning of year Shares
P Luff	49,771	49,551
Mrs J M Luff	20,349	20,349
H Row	880	1,100
G B Newman	-	-
D W Ferrar	-	-

D W Ferrar was appointed a director on 13th December 1993.

AUDITORS:

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Messrs Arram Berlyn Gardner as auditors to the company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

D W FERRAR
SECRETARY

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

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 the 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 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 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

We have audited the financial statements on pages 5 to 21 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3 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 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 affairs of the company and of the group as at 31st July 1994 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

ARRAM BERLYN GARDNER
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

HOLBORN HALL
100 GRAYS INN ROAD
LONDON WC1X 8BY

14-12-94

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST JULY 1994

	NOTES	1994 £	1993 £
TURNOVER	2	16,528,814	16,757,886
Cost of Sales		14,307,612	15,012,254
GROSS PROFIT		2,221,202	1,745,632
Administrative Expenses		(1,116,271)	(1,641,874)
Other Operating Income		393,071	549,209
Operating profit		1,498,002	652,967
Deficit on property revaluation		(205,890)	(1,458,654)
Profit on sale of fixed assets		1,500,000	-
Other Interest Receivable and Similar Income		-	7,117
Interest Payable and Similar charges		(235,421)	(509,974)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,556,691	(1,308,544)
Tax on Profit on Ordinary Activities	4	(1,679,347)	-
PROFIT/(LOSS) FOR THE YEAR	12	£ 877,344	£(1,308,544)

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST JULY 1994

	The Group		The Company	
	1994 £	1993 £	1994 £	1993 £
Profit/(Loss) for the year after minority interests	1,866,931	(1,237,543)	(304,448)	3,333,822
Goodwill written off in year	(1,039,538)	-	-	-
Unrealised surplus/ (deficit) on revaluation of property	75,757	(227,701)	75,757	-
Total recognised gains and (losses) for the year	£ 903,150	£(1,465,244)	£(228,691)	£3,333,822

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31ST JULY 1994

	Notes	£	1994 £	£	1993 £
FIXED ASSETS					
Tangible Assets	5		6,527,840		9,651,659
CURRENT ASSETS					
Stocks	7	5,496,676		4,662,674	
Debtors	8	2,201,298		3,258,393	
Cash at Bank & in Hand		437,297		210,326	
		8,135,271		8,131,393	
CREDITORS (amounts falling due within one year)	9	6,021,530		9,043,234	
NET CURRENT ASSETS/(LIABILITIES)			2,113,741		(911,841)
TOTAL ASSETS LESS CURRENT LIABILITIES			8,641,581		8,739,818
CREDITORS (amounts falling due after more than one year)	10		-		11,800
NET ASSETS			£8,641,581		£8,728,018
CAPITAL AND RESERVES					
Called up Share Capital	11		71,000		71,000
Share Premium Account	12		100		100
Revaluation Reserve	12		-		2,923,057
Profit and Loss Account	12		8,026,247		4,200,040
SHAREHOLDERS' FUNDS	18		8,097,347		7,194,197
MINORITY INTERESTS			544,234		1,533,821
			£8,641,581		£8,728,018

The financial statements on pages 5 to 21 were approved by the board of directors on 14TH DECEMBER 1994

.....)

.....) Directors

LUFF DEVELOPMENTS LIMITED

COMPANY BALANCE SHEET AS AT 31ST JULY 1994

	Notes	1994 £	1994 £	1993 £	1993 £
FIXED ASSETS					
Tangible Assets	5		1,028,691		4,314,576
Investments	6		878,535		878,535
			1,907,226		5,193,111
CURRENT ASSETS					
Stocks	7	3,186,407		3,319,297	
Debtors	8	2,968,856		2,550,723	
Cash at Bank and in Hand		300,300		127	
		6,455,563		5,870,147	
CREDITORS (amounts falling due within one year)	9	(2,698,946)		(5,170,724)	
NET CURRENT ASSETS			3,756,617		699,423
NET ASSETS			£5,663,843		£5,892,534
CAPITAL AND RESERVES					
Called up Share Capital	11		71,000		71,000
Share Premium Account	12		100		100
Revaluation Reserve	12		-		2,968,597
Profit and Loss Account	12		5,592,743		2,852,837
Shareholders' Funds	18		£5,663,843		£5,892,534

The financial statements on pages 5 to 21 were approved by the board of directors on 14TH DECEMBER 1994

.....)

Directors

.....)

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST JULY 1994

	Notes	1994 £	1994 £	1993 £	1993 £
Net Cash Flow from operating activities	13		1,236,105		2,811,527
Returns on investments and servicing of finance					
Interest received		-		7,117	
Interest paid		(235,421)		(509,974)	
Net Cash Flow from returns on investments and servicing of finance			(235,421)		(502,857)
Corporation Tax Paid			(472,102)		-
Investing activities					
Sale of Fixed Assets		4,994,170		96,324	
Purchase of fixed assets		(703,972)		(1,369,436)	
Net cash flow from investing activities			4,290,198		(1,273,112)
Net cash flow before financing			4,818,780		1,035,558
Financing					
Repayments of loans		(251,040)		(1,730,390)	
Net cash flow from financing	16		(251,040)		(1,730,390)
Increase/(Decrease) in cash and cash equivalents	15		£4,567,740		£ (694,832)

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1994

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements:-

(a) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of some of the land and buildings and are in accordance with applicable accounting standards. The financial statements include the results of the group's operations as indicated in the directors' report. All operations are continuing except for those of Edward Court Hotel Limited which ceased on 1 November 1994.

(b) Turnover

Turnover comprises invoiced sales net of VAT excluding intra group sales.

(c) Tangible Fixed Assets and Depreciation

(i) Fixed Assets are capitalised at cost or valuation.

(ii) Fixed Assets are depreciated over their estimated useful lives as follows:

Assets	Rate p.a.	Basis
Freehold, Buildings	2%	Straight line
Short Leasehold Properties	-	Over the remaining life of the lease
Plant, Machinery and Equipment	25%	Reducing Balance
Office Equipment and Fittings	25%	Reducing Balance
Motor Vehicles	25%	Reducing Balance

(d) Stock, Work in Progress and Long Term Contracts

Stock is stated at the lower of cost and net realisable value. Long term contracts are valued at cost to date plus attributable profit less contingencies, foreseeable losses and progress payments received and receivable and the treatment in the financial statements is in accordance with the requirements of SSAP 9.

(e) **Deferred Taxation**

The policy of providing for deferred taxation only to the extent that it is expected to fall due for payment in the foreseeable future has been adopted. As a result of this policy no provision has been made in these accounts for deferred taxation.

(f) **Consolidation Policy**

Basis of Consolidation

The group financial statements consolidate the financial statements of the company and all subsidiaries for the year ended 31st July 1994. The accounting reference date of a subsidiary, Wokingham Motors Limited is not coterminous with that of the parent company and unaudited management accounts to 31st July 1994 have been used for consolidation.

Goodwill arising on the acquisition of subsidiaries is written off in the year of acquisition against reserves. The cumulative value of goodwill written off is £1,039,538.

2. SEGMENT INFORMATION

The group's turnover and results have been derived in the United Kingdom from the following classes of business:

Class of Business	Turnover		Profit/(Loss) before taxation	
	1994 £	1993 £	1994 £	1993 £
Building construction, property trading and associated operations	4,203,228	5,582,117	2,628,004	340,091
Joinery, window manufacture and installations	829,277	1,007,438	29,039	(58,649)
Hotel operations	316,428	385,064	(20,661)	2,166
Farming income	26,566	3,805	(57,105)	(1,523,283)
Garage income	9,689,866	9,137,548	84,338	43,601
Golf course	1,463,449	641,914	(106,924)	(112,470)
	£16,528,814	£16,757,886	£2,556,691	£(1,308,544)

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1994 £	1993 £
After charging:		
Directors' remuneration (Note 20)	278,800	170,000
Depreciation	182,031	200,401
Loss on disposal of fixed assets	21,457	9,290
Auditors' remuneration:		
Audit fees	34,300	45,900
Other services	9,000	8,684
Hire of equipment	34,404	132,471
Interest payable on bank and other borrowings repayable within one year	235,421	509,974
After crediting:		
Rents receivable	291,608	318,244
Interest received	-	7,117

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

UK corporation tax payable @ 33%	£1,679,347	£ -

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1994

5. TANGIBLE FIXED ASSETS

	Land and Buildings £	Plant, Machinery and Equipment £	Office Equipment and Fittings £	Motor Vehicles £	Total £
(a) **The Group**					
Cost or Valuation					
At 1st August 1993	9,275,249	768,478	361,271	142,355	10,547,353
Additions	627,650	49,388	26,633	301	703,972
Disposals	(3,500,000)	(40,209)	-	(24,673)	(3,564,882)
Revaluations	(166,413)	-	-	-	(166,413)
At 31st July 1994	6,236,486	777,657	387,904	117,983	7,520,030
Depreciation					
At 1st August 1993	125,268	424,761	274,509	71,156	895,694
Provision for the year	43,581	27,334	92,465	18,651	182,031
Disposals	-	(31,183)	-	(18,072)	(49,255)
Adjustment on revaluation	(36,280)	-	-	-	(36,280)
At 31st July 1994	132,569	420,912	366,974	71,735	992,190
Net Book Value					
At 31st July 1994	£6,103,917	£356,745	£20,930	£46,248	£6,527,840
At 31st July 1993	£9,149,981	£343,717	£ 86,762	£ 71,199	£ 9,651,659
(b) **The Company**					
Cost or Valuation					
At 1st August 1993	4,349,999	11,016	44,119	35,875	4,441,009
Additions	160,523	-	600	-	161,123
Disposals	(3,500,000)	-	-	-	(3,500,000)
Revaluations	39,477	-	-	-	39,477
At 31st July 1994	£1,049,999	£ 11,016	£ 44,719	£ 35,875	£ 1,141,609
Depreciation					
At 1st August 1993	57,880	10,585	37,233	20,735	126,433
On disposals	-	-	-	-	-
Provision for the year	17,000	108	1,872	3,785	22,765
Adjustment on revaluation	(36,280)	-	-	-	(36,280)
At 31st July 1994	£ 38,600	£ 10,693	£ 39,105	£ 24,520	£ 112,918
Net Book Value					
At 31st July 1994	£1,011,399	£ 323	£ 5,614	£ 11,355	£ 1,028,691
At 31st July 1993	£4,292,119	£ 431	£ 6,886	£ 15,140	£ 4,314,576

5. TANGIBLE FIXED ASSETS (Continued)

(c) The net book value of land and buildings comprise:

	The Group		The Company	
	1994	1993	1994	1993
	£	£	£	£
Freehold land and buildings	6,103,917	9,141,120	1,011,399	4,292,119
Long leasehold land	-	-	-	-
Short leasehold land	-	8,861	-	-
Net Book Value	£6,103,917	£9,149,981	£1,011,399	£4,292,119

(d) The cost or valuation figures for land and buildings include:

	The Group		The Company	
	1994	1993	1994	1993
	£	£	£	£
Valuation - 1994	4,500,000	-	800,000	-
- 1993	-	4,000,000	-	-
- 1992	-	3,500,000	-	3,500,000
- 1991	249,999	849,999	249,999	849,999
Cost	1,486,487	925,250	-	-
	£6,236,486	£9,275,249	£1,049,999	£4,349,999

6. **FIXED ASSET INVESTMENT**

Cost

At 1st August 1993	£878,535
At 31st July 1994	£878,535

The fixed asset investment represents investments in the following subsidiaries:-

Subsidiary	Nature of Business	Class	Proportion of Shares
Luff Construction Limited	General building contractors	Ordinary	100%
Luff Farms Limited	Farming	Ordinary	80%
Blue Mountain Golf Centre Limited	Management of golf course	Ordinary	100%*
Edward Court Hotel Limited	Hoteliers	Ordinary	100%
Eastheath Properties Limited	Property development	Ordinary	100%
Berkshire Window Centre Limited	Window manufacturing and installations	Ordinary	100%
Wokingham Motors Limited	Garage proprietors	Ordinary	100%
Pielle Properties Limited	Property development & investment	Ordinary	100%
Annis Developments Limited	Property development	Ordinary	100%

* Held indirectly
All of the above companies are registered in England.

The share capital of Annis Developments Limited was acquired on 21 March 1994. The assets of the company on acquisition were as follows:

	£
Current Assets	1,119,959
Current Liabilities	(3,438,968)
Book value of Net Assets	(2,319,009)
Less fair value adjustments	1,279,471
Fair value of Net Assets	(1,039,538)

7. **STOCKS**

	The Group		The Company	
	1994	1993	1994	1993
	£	£	£	£
Raw materials & consumables	46,789	61,893	-	-
Land and properties	2,972,668	3,435,096	2,878,568	2,981,666
Work in progress	1,660,176	499,812	307,839	337,631
Motor cars and components	734,984	578,775	-	-
Hotel stock and stock for resale	82,059	87,098	-	-
	£5,496,676	£4,662,674	£3,186,407	£3,319,297

8. DEBTORS

	The Group		The Company	
	1994	1993	1994	1993
	£	£	£	£
Trade debtors	764,501	579,015	25,056	3,466
Amounts owed by group companies	-	-	2,934,360	1,225,138
Amounts owed by related companies	757,801	1,302,147	-	1,301,654
Corporation tax recoverable	-	25,213	-	-
Other debtors	526,673	1,211,692	1,000	1,659
Prepayments and accrued income	152,323	140,326	8,440	18,806
	£2,201,298	£3,258,393	£2,968,856	£2,550,723

9. CREDITORS (Amounts falling due within one year)

	The Group		The Company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans	-	239,240	-	-
Bank overdrafts	636,249	4,977,018	321,151	4,188,334
Trade creditors	1,040,653	900,521	45,419	42,745
Amounts owed to group companies	-	-	661,633	764,054
Other creditors	832,151	1,270,498	-	71,114
Corporation tax payable	2,882,032	1,200,000	1,602,694	-
Other taxes and social security	116,872	176,596	26,302	14,858
Accruals and deferred income	513,573	279,361	41,747	89,619
	£6,021,530	£ 9,043,234	£2,698,946	£ 5,170,724

The bank loans are secured by a fixed charge over specific land and buildings and by a first floating charge over the assets of the company, its subsidiary Eastheath Properties Limited and Luff Holdings (Wokingham) Limited, a related company. Interest is charged on a normal commercial basis.

LUFF DEVELOPMENTS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1994

10. CREDITORS (Amounts falling due after more than one year)

	The Group		The Company	
	1994	1993	1994	1993
Petrol company advances	£ -	£ 11,800	£ -	£ -

11. CALLED UP SHARE CAPITAL

Authorised

	1994	1993
250,000 Ordinary Shares of £1 each	£250,000	£250,000

Allotted, called up and fully paid

71,000 Ordinary Shares of £1 each	£ 71,000	£ 71,000

12. RESERVES

	Share Premium Account	Revaluation Reserve	Profit and Loss Account
	£	£	£
(a) The Group			
At 1st August 1993	100	2,923,057	4,200,040
Profit for the year	-	-	877,344
Minority interests	-	-	989,587
Revaluation in year	-	75,757	-
Goodwill written off	-	-	(1,039,538)
Transfer	-	(2,998,814)	2,998,814
At 31st July 1994	£100	£ -	£8,026,247

	Share Premium Account	Revaluation Reserve	Profit and Loss Account
(b) The Company			
At 1st August 1993	100	2,968,597	2,852,837
Loss for the year	-	-	(304,448)
Revaluation in year	-	75,757	-
Transfer	-	(3,044,354)	3,044,354
At 31st July 1994	£100	£ -	£5,592,743

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of the financial statements. The consolidated profit for the year after taxation includes a loss of £304,448 (1993: profit of £3,333,822) which represents the results of the parent company and is dealt with in these financial statements.

13. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	1994 £	1993 £
Operating profit	1,498,002	652,967
Depreciation of tangible assets	182,031	200,401
Loss on disposal of assets	21,457	9,290
(Increase)/Decrease in stock	(834,002)	1,388,295
Decrease in debtors	686,882	249,809
(Decrease)/increase in creditors	(318,265)	310,946
(Decrease) in minority interest	-	(181)
Net cash flow from operating activities	£1,236,105	£ 2,811,527

14. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1994 £	1993 £
Balance at 1st August 1993	(4,766,692)	(4,071,860)
Net cash flow (Note 15)	4,567,740	(694,832)
Balance at 31st July 1994	£ (198,952)	£(4,766,692)

15. ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1994 £	1993 £	Change in year £
Cash at bank and in hand	437,297	210,326	226,971
Bank overdrafts	(636,249)	(4,977,018)	4,340,769
	£ (198,952)	£(4,766,692)	£4,567,740

16. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital £	Loan Finance £
Balance at 1st August 1993	71,000	251,040
Cash flow from financing	-	(251,040)
Balance at 31st July 1994	£71,000	£ -

17. DEFERRED TAXATION

The amount of unprovided deferred taxation and the amount provided are as follows:

The Group

	1994		1993	
	Unprovided	Provided	Unprovided	Provided
Revaluation of land and buildings	£ -	£ -	£3,000,000	£ -

The Company

Revaluation of land and buildings	£ -	£ -	£1,500,000	£ -

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	The Group		The Company	
	1994 £	1993 £	1994 £	1993 £
Profit/(Loss) for the financial year	1,866,931	(1,237,543)	(304,448)	3,333,822
Other recognised gains/ (losses)	75,757	(227,701)	75,757	-
Goodwill written off	(1,039,538)	-	-	-
Net movement in shareholders' funds	903,150	(1,465,244)	(228,691)	3,333,822
Opening shareholders' funds	7,194,197	8,659,441	5,892,534	2,558,712
Closing shareholders' funds	£8,097,347	£ 7,194,197	£5,663,843	£5,892,534

19. COMMITMENTS ON BEHALF OF GROUP AND OTHER COMPANIES

The group has a contingent liability in respect of an unlimited multilateral guarantee given to its bankers in favour of Luff Holdings (Wokingham) Limited, a related company. At the year end, this amounted to £4,547,339 (1993 - £4,987,650).

There is no reason to believe that the group will be called upon to honour this guarantee.

20. INFORMATION REGARDING DIRECTORS

Remuneration

	1994 £	1993 £
Directors' emoluments	278,800	170,000
Directors' remuneration, excluding pension contributions is as follows:		
Chairman	175,000	£60,000
Directors' remuneration is within the following bands:		
£ Nil - £ 5,000	2	1
£ 45,001 - £ 50,000	1	1
£ 50,001 - £ 55,000	1	-
£ 55,001 - £ 60,000	-	2
£165,001 - £170,000	-	1
£170,001 - £175,000	1	-

21. PARTICULARS OF EMPLOYEES

The average number of persons (excluding directors) employed by the group during the year were:

	The Group	
Category	1994	1993
Administration	37	41
Surveyors/Estimators	2	3
Workshop/Garage Staff	41	41
Site Staff	45	39
Hotel Staff	10	11
Golf Course Staff	40	33
	175	168

Their total remuneration was:

	£	£
Wages and Salaries	2,261,588	1,243,099
Social Security costs	229,082	129,282
Other pension costs	141,045	33,195
	£2,631,715	£1,405,576

22. PENSION COSTS

The group operates two defined contribution pension schemes. The assets of each scheme are held separately from those of the group in independently administered funds. The pension cost represents contributions payable to the fund and amounted to £90,000 (1993 - £30,000).

23. TRANSACTIONS WITH DIRECTORS

During the year the group entered into transactions with a company in which the directors had a material interest in the sum of £194,390 (1993: £2,264,614). The transactions were at arms length.