BOVIS HOMES INVESTMENTS LIMITED

Report of the Directors

The directors submit their report and accounts for the fifteen months ended 31st December 1975.

Accounts

Details of the results for the period are shown in the profit and loss account.

The directors do not recommend the payment of a dividend.

Activities

The principal activity of the company during the period was the administration of its development properties.

Directors

The directors of the Company during the period were:-

J.M.Swift
P.L.Warner
R.N.Walford
M.Norton
N.Tullah

The interests of Messrs. P.L.Warner and J.M.Swift and R.N.Walford in the shares of the ultimate holding company will be disclosed in the report of the parent company, Bovis Homes Limited.

Messrs. M.Norton and N.Tullah had no interest in such shares at any time during the period.

Auditors

Thomson McLintock & Co., have expressed their willingness to continue in office.

Signed on behalf of the
Board of Directors
P.L.Warner
Chairman

5th May, 1976

BOVIS HOMES INVESTMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS

LONDON. 5 May 1976. We have audited the books and records of Bovis Homes Investments Limited for the fifteen months ended 31 December 1975. The attached accounts have been properly prepared in accordance with the provisions of the Companies Acts, 1948 and 1967.

In our opinion these accounts give a true and fair view of the state of affairs and profit of the company.

THOMSON McLINTOCK & CO

Chartered Accountants

BOVIS HOMES INVESTMENTS LIMITED — AS AT 31 DECEMBER 1975

BALANCE SHEET

30 September 1974			
£(38,506)	INVESTMENT IN SUBSIDIARIES (note 2)		£(38,506)
	CURRENT ASSETS		
426,025	Development properties (note 3)	£ 479,486	
38,808	Debtors	85,941	
3,496,610	Amounts due from group companies	3,256,997	
4,600	Cash at bank	5,600	
3,966,043		3,828,024	
	Less: CURRENT LIABILITIES		
167,102	Creditors	107,065	
12,281	Amount due to group companies	710,818	
480,260	Taxation	-	
1,104,885	Bank overdraft	1,167,605	
1,764,528		1,985,488	
2,201,515	NET CURRENT ASSETS		1,842,536
£2,163,009			£1,804,030
	Representing		
	SHARE CAPITAL		
£ 9,800	Authorised, issued and fully paid Ordinary shares of £1 each		£ 9,800
591,398	CAPITAL RESERVE		591,398
1,561,811	REVENUE RESERVE		1,202,832
	Director		
	Director		
£2,163,009			£1,804,030

The attached notes form part of these accounts.

BOVIS HOMES INVESTMENTS LIMITED

FOR THE FIFTEEN MONTHS ENDED 31 DECEMBER 1975

PROFIT AND LOSS ACCOUNT

Nine months ended 30 September 1974			
£ 405,878	PROFIT FOR THE PERIOD BEFORE TAXATION AND EXTRAORDINARY ITEMS (note 5)		£ 478,248
	TAXATION		
-	Payment in respect of group relief		(471,244)
6,915	Transfer from taxation equalisation account		-
412,793	PROFIT FOR THE PERIOD BEFORE EXTRAORDINARY ITEMS		7,004
(99,969)	Extraordinary items (note 6)		-
312,824	PROFIT FOR THE PERIOD AFTER EXTRAORDINARY ITEMS		7,004
1,247,950	Balance brought forward (note 10)	1,142,705	
1,037	Taxation adjustments in respect of previous years	53,123	
1,248,987			1,195,828
£1,561,811	BALANCE CARRIED FORWARD		£1,202,832

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The accounting policies of the company are disclosed in the relevant notes to the accounts.

2 INVESTMENT IN SUBSIDIARIES

(a) The subsidiaries, all of which are wholly owned and incorporated in England, are

Great Barr Freeholders Limited
H J B (Solihull) Limited
Page-Johnson Properties Limited
Page-Johnson (Property Management Limited
Page-Johnson (Sandgate) Limited
Page-Johnson (Torbay) Limited
Page-Johnson (Western) Limited
Page Johnson (Yorkshire) Limited
Pages Luxury Flats Limited

None of the companies traded during the period.

The figure shown in the balance sheet is made up as follows:

	1975	1974
Shares at cost	£231,618	£231,618
Amount due to subsidiary companies	(270,124)	(270,124)
	£(38,506)	£(38,506)

(b) Consolidated accounts are not prepared as the company is a wholly owned subsidiary. In the opinion of the directors the aggregate valuation of the investments is not less than the aggregate value of the amount at which these assets are stated in the accounts.

3 DEVELOPMENT PROPERTIES

Development properties are valued at the lower of cost and net realisable value. Ground rents are valued at six years purchase of their gross annual income.

	1975	1974
Freehold ground rents	£422,339	£362,861
Leasehold improved ground rents	17,910	29,704
Rented properties	27,748	26,153
Chief rents	11,489	7,307
	£479,486	£426,025

NOTES TO THE ACCOUNTS (continued)

4 TAXATION

There is no taxation payable on the profits for the period as group relief has been surrendered by other group companies. Payment amounting to £471,244 has been made to these companies, for the losses surrendered.

5 PROFIT AND LOSS ACCOUNT

(a) The foll wing items have been taken into account in arriving at the profit for the period.

Nine months ended 30 September 1974		
	Receipts:	
£364,109	Interest receivable (inter group)	£539,955
	Charges:	
-	Directors' remuneration	-
1,014	Depreciation	-
2,000	Audit fee including expenses	2,500
52,236	Interest on bank overdraft	184,609

(b) Turnover represents the total amount receivable for property sold and amounts to £45,794 (1974 - £45,272).

6 EXTRAORDINARY ITEMS

The amount shown in the profit and loss account represents amount written off the value of freehold ground rents.

7 CONTINGENT LIABILITY

The bank account with National Westminster Bank Limited is secured on land held by other subsidiaries

8 CAPITAL EXPENDITURE

There were no commitments for capital expenditure not provided for in these accounts (1974 - £nil).

9/

NOTES TO THE ACCOUNTS (continued)

9 GUARANTEE

The company, together with Bovis Limited and certain other fellow subsidiaries, has jointly agreed to guarantee bank overdrafts to the extent of the facilities provided by the group's bankers. At 31 December 1975 this overdraft amounted to approximately £23,000,000 (1974 - £27,500,000).

10 REVENUE RESERVES

Profit and loss account brought foward	£1,561,811
Adjustment in respect of prior period for group relief	(419,106)
Adjusted balance brought forward	£1,142,705

11 ULTIMATE HOLDING COMPANY

The company's ultimate holding company is The Peninsular and Oriental Steam Navigation Company, which is incorporated in England.