Company number: 306718

BOVIS HOMES INVESTMENTS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1990

KPMG PEAT MARWICK McLINTOCK
Bristol

DIRECTORS' REPORT

The directors present their report together with the accounts for the year ended 31 December 1990.

BUSINESS REVIEW

The principal activities of the company are commercial development and acting as a holding company. The profit for the financial year after taxation was £3,907,990.

DIVIDEND

An interim dividend of £3,908,000 has been paid. The directors recommend that no final dividend be paid.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were :

PL Warner (Chairman)
RN Walford

PL Warner is also a director of The Peninsular and Oriental Steam Navigation Company and his interests in the capital of group companies are shown in the directors' report of that company. RN Walford is also a director of Bovis Homes Limited, and his interests in the capital of group companies are shown in the directors' report of that company.

AUDITORS

In accordance with S385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick McLintock as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

RN WALFORD
Secretary
25 March 1991

REPORT OF THE AUDITORS, KPMG PEAT MARWICK McLINTOCK
TO THE MEMBERS OF

BOVIS HOMES INVESTMENTS LIMITED

We have audited the accounts on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick McLintock

Bristol
25 March 1991

KPMG PEAT MARWICK McLINTOCK
Chartered Accountants

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1990

	Notes	1990 £	1989 £
TURNOVER		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses		(937)	-
INCOME FROM INVESTMENTS HELD AS FIXED ASSETS	2	3,908,000	19,116,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,907,063	19,116,000
Tax on profit on ordinary activities	3	927	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,907,990	19,116,000
Dividend	4	(3,908,000)	(19,116,000)
DEFICIT FOR THE YEAR		(10)	-
Retained profit brought forward		1,523,841	1,523,841
RETAINED PROFIT CARRIED FORWARD		1,523,831	1,523,841

The notes on pages 6 to 8 form part of these accounts.

BALANCE SHEET

31 December 1990

	Notes	1990 £	1989 £
FIXED ASSETS			
Investments	5	283,700	283,700
CURRENT ASSETS			
Debtors	6	7,484,154	1,484,141
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(6,000,023)	-
NET CURRENT ASSETS		1,484,131	1,484,141
TOTAL ASSETS LESS CURRENT LIABILITIES		1,767,831	1,767,841
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	8	(234,200)	(234,200)
		1,533,631	1,533,641
CAPITAL AND RESERVES			
Called up share capital	9	9,800	9,800
Profit and loss account		1,523,831	1,523,841
		1,533,631	1,533,641

The notes on pages 6 to 8 form part of these accounts.

These accounts were approved by the board of directors on 25 March 1991.

PL Warner)
) Directors
RN Walford)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended 31 December 1990

	1990 £	1989 £
SOURCE OF FUNDS		
Profit before taxation	3,907,063	19,116,000
FUNDS FROM OTHER SOURCES		
Loan from holding company	6,000,000	-
Tax refunded	599	-
	9,907,662	-
APPLICATION OF FUNDS		
Tax paid	-	(292,000)
Dividend paid	(3,908,000)	(19,116,000)
	5,999,662	(292,000)
MOVEMENT IN WORKING CAPITAL		
Debtors	5,999,685	(292,000)
Movement in net liquid funds:		
Bank overdraft	(23)	-
	5,999,662	(292,000)

1 PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts :

(a) Accounting convention

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Profits realised on properties held for development are taken to the credit of the profit and loss account. Profit is recorded on commercial development on legal completion.

(b) Consolidation

The accounts of subsidiaries and related companies are not consolidated as the company is a wholly owned subsidiary of another UK body corporate.

2 INCOME FROM INVESTMENTS HELD AS FIXED ASSETS

	1990 £	1989 £
Income from shares in group companies	3,908,000	19,116,000

3 TAXATION

	1990 £	1989 £
Group relief receivable at 35%	328	-
Prior year adjustment	599	-
	927	-

4 DIVIDEND

	1990 £	1989 £
Interim dividend paid	3,908,000	19,116,000

5 INVESTMENTS HELD AS FIXED ASSETS

	Subsidiary companies unlisted
	£
Shares at cost:	
At 1 January 1990 and 31 December 1990	283,700

The principal company in which the company's interest is more than 10% is as follows :

	Country of incorporation	Principal activity	Class or percentage of shares held
Bovis Homes Limited	Great Britain	House building and estate development	Ordinary shares 100%

In the opinion of the directors the value of the company's investments is not less than their book value.

6 DEBTORS

	1990	1989
	£	£
Amounts due from subsidiaries	1,424,738	1,484,141
Amounts due from associate of Bovis Homes Limited	5,931,088	-
Other debtors	128,328	-
	7,484,154	1,484,141

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1990	1989
	£	£
Bank overdraft	23	-
Amount due to ultimate holding company	6,000,000	-
	6,000,023	-

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1990	1989
	£	£
Amount due to holding company	234,200	234,200

9 SHARE CAPITAL

	1990	1989
	£	£
Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each	9,800	9,800

10 ULTIMATE HOLDING COMPANY

The ultimate holding company is The Peninsular and Oriental Steam Navigation Company, incorporated in Great Britain, whose accounts are available to the public from The Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.