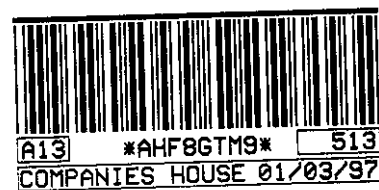


BRAXFIELD (ST. ANNES) MANAGEMENT CO. LTD.

Company No. 01096342

Report of the Chairman & Statement of Accounts

for the Year Ended 31st December 1996



AUDITORS' REPORT TO BRAXFIELD (ST. ANNES) MANAGEMENT CO. LTD.

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of Braxfield (St. Annes) Management Co. Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion, the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1996 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other Information

On 21st February 1997 we reported, as auditor of Braxfield (St. Annes) Management Co. Limited to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1996 and our audit report was as follows:-

"We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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.

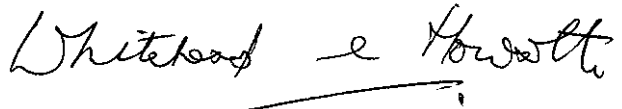
Basis of opinion

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 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 company's affairs at 31st December 1996 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



21 February 1997

Whitehead & Howarth,
Registered Auditors and
Chartered Accountants,
327, Clifton Drive South,
Lytham St. Annes. FY8 1HN

BRAXFIELD (ST. ANNES) MANAGEMENT COMPANY LIMITED

Balance Sheet

as at 31st December 1996

	<u>1996</u>	<u>1995</u>
<u>Fixed Assets</u>		
Tangible Assets	<u>6,814</u>	<u>7,477</u>
<u>Current Assets</u>		
Building Society Deposit Account	28,520	22,198
Cash in Hand	12	57
Prepayments and Accrued Income	<u>3,136</u>	<u>4,504</u>
	<u>31,668</u>	<u>26,759</u>
<u>Creditors: Amounts falling due within One Year</u>	(<u>4,274</u>)	(<u>4,153</u>)
Net Current Assets	<u>27,394</u>	<u>22,606</u>
Total Assets less Current Liabilities	<u>34,208</u>	<u>30,083</u>
 <u>Capital and Reserves</u>		
Called Up Share Capital	27	27
Janitor's Flat Fund	3,102	3,102
Special Capital Expenditure Reserve	<u>31,079</u>	<u>26,954</u>
Shareholders Funds	<u>34,208</u>	<u>30,083</u>

"In preparing these accounts the directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and have done so on the basis that, in their opinion, the company satisfies the criteria for exemption as a small company."

Approved by the Board on *21st February, 1997.*

.....*H.B. Herring*.....Director
H.B. Herring

BRAXFIELD (ST. ANNES) MANAGEMENT COMPANY LIMITED

Notes to the Accounts

for the Year Ended 31st December 1996

1. ACCOUNTING POLICIES

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

Basis of Accounting

The Accounts have been prepared under the historical cost convention, and incorporate the results of all the Company's operations in the year, all of which are continuing.

Standard Accounting Practice

Insofar as Statements of Standard Accounting Practice (SSAP's) are relevant to the activities of the Company they have been applied in producing the Accounts except that the Janitor's Flat has not been depreciated in accordance with SSAP 12 on the basis that its residual value exceeds its cost. Interest receivable by the Company has been stated at its gross equivalent in the Income and Expenditure Account in accordance with SSAP 8 to reflect interest deducted before receipt in lieu of taxation.

Special Capital Expenditure Reserve

The Special Capital Expenditure Reserve is designed to provide for long term Capital Expenditure and larger items of Revenue Expenditure which accrue outside the Company's normal accounting cycle. The amount transferred is the total surplus/(deficit) on the Income and Expenditure Account for the year. The surplus/(deficit) for the previous year has similarly been transferred to/or from this Reserve.

Fixed Assets

Fixed Assets are shown at cost less accumulated depreciation.

Depreciation

Equipment is depreciated at 15% per annum on a reducing balance basis to write off the cost of the assets over their estimated economic lives. Proportionate charges are made for depreciation in the year of acquisition.

Depreciation is not charged on the Janitor's flat. The failure to provide for depreciation on the Janitor's flat which is a tangible fixed asset is a departure from the requirements of the Companies Act 1985 and SSAP 12 which the Director's believe to be justified in this instance.

Cash Flow Statement

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small Company.

BRAXFIELD (ST. ANNES) MANAGEMENT COMPANY LIMITED

Notes to the Accounts

for the Year Ended 31st December 1996

2. CALLED UP SHARE CAPITAL

	<u>Authorised</u>		<u>Issued</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Ordinary Shares of £1 each	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>

3. TANGIBLE FIXED ASSETS

	<u>Total</u>
Cost at 1st January 1996	7,477
Additions	<u>-</u>
Cost at 31st December 1996	<u>7,477</u>
<u>Depreciation</u>	
Balance as at 1st January 1996	-
Charge for Year	<u>663</u>
Balance at 31st December 1996	<u>663</u>
Net Book Value 31/12/96	<u>6,814</u>
Net Book Value 31/12/95	<u>7,477</u>