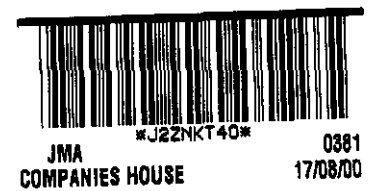


**NORTH CHESHIRE PROPERTIES
LIMITED**

Abbreviated Accounts

31 March 2000

**Deloitte & Touche
PO Box 500
201 Deansgate
Manchester
M60 2AT**



NORTH CHESHIRE PROPERTIES LIMITED

CONTENTS

Page

Auditors' report

1

Balance sheet

2

Notes to the accounts

3



INVESTOR IN PEOPLE

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**Deloitte
& Touche**

AUDITORS' REPORT TO NORTH CHESHIRE PROPERTIES LIMITED PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of North Cheshire Properties Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2000.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with sections 246(5) and (6) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with those sections and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

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 deliver abbreviated accounts 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 section 247 and 247A of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, in respect of the year ended 31 March 2000, and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with those provisions.

Chartered Accountants and Registered Auditors

7 August 2000

NORTH CHESHIRE PROPERTIES LIMITED

BALANCE SHEET

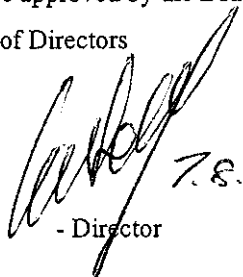
31 March 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Investment properties	2		1,763,894		1,994,673
CURRENT ASSETS					
Debtors		12,841		12,141	
Cash at bank and in hand		3,502		58,351	
		<u>16,343</u>		<u>70,492</u>	
CREDITORS: amounts falling due within one year		<u>(301,841)</u>		<u>(686,757)</u>	
NET CURRENT LIABILITIES			<u>(285,498)</u>		<u>(616,265)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,478,396		1,378,408
PROVISIONS FOR LIABILITIES AND CHARGES			<u>(53,431)</u>		<u>(44,684)</u>
			<u>1,424,965</u>		<u>1,333,724</u>
CAPITAL AND RESERVES					
Called up share capital	3		50,000		50,000
Profit and loss account			533,060		441,819
Revaluation reserve			841,905		841,905
Equity shareholders' funds			<u>1,424,965</u>		<u>1,333,724</u>

The accounts have been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985 with respect to delivery of individual accounts.

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors


 7.8.00
 - Director

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties.

Turnover

The company's turnover arises from its principal activity and is shown net of value added tax. All turnover arises in the United Kingdom.

Investment properties

In accordance with Statement of Standard Accounting Practice No.19 investment properties are revalued annually by the Directors and at least every five years by an external valuer. The aggregate surplus or deficit arising on revaluation is transferred to revaluation reserve except for permanent shortfalls between cost and valuation on individual properties which are charged to profit and loss account.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle as set out in SSAP 19. The directors consider that, because their properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

2. INVESTMENT PROPERTIES

	Total £
Valuation	
At 1 April 1999	1,994,673
Additions	793
Disposals	(231,572)
	<hr/>
At 31 March 2000	1,763,894
	<hr/>

At 31 March 2000 the properties were valued by the directors and considered to have a market value of £1,763,894. The historical cost of properties owned at 31 March 2000 was £921,989 (1999 - £1,364,236)

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

3. CALLED UP SHARE CAPITAL

	2000	1999
	£	£
Authorised		
250,000 ordinary shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
Issued		
50,000 ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

4. ULTIMATE PARENT COMPANY

The ultimate parent company is P J Kennedy Investments Limited, a company incorporated and registered in the Isle of Man.

The issued share capital of P J Kennedy Investments Limited is held in trust for members of the family of Mr P J Kennedy and Mr J G Kennedy.

The company has taken advantage of the exemption included in Financial Reporting Standard No.8 "Related Party Disclosures" (para. 3) for wholly owned subsidiaries not to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.