

'Statutory'

NORTHERN ENGLAND ESTATES LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1996



NORTHERN ENGLAND ESTATES LIMITED

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for the year ended 30th June 1996

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NORTHERN ENGLAND ESTATES LIMITED

COMPANY INFORMATION
for the year ended 30th June 1996

DIRECTORS:

I D Grant
R.L.J. Grant
A.C. Zaphiriou-Zarifi
T. Bowley

SECRETARY:

J Oddie

REGISTERED OFFICE:

76 New Cavendish Street
London W1M 7LB

REGISTERED NUMBER:

2511913 (England and Wales)

AUDITORS:

Maurice I. Esterson & Co.
Chartered Accountants
& Registered Auditor
76 New Cavendish Street
London W1M 7LB

NORTHERN ENGLAND ESTATES LIMITED

REPORT OF THE DIRECTORS for the year ended 30th June 1996

The directors present their report with the financial statements of the company for the year ended 30th June 1996.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of property investment and management.

DIRECTORS

The directors during the year under review were:

I D Grant
R.L.J. Grant
A.C. Zaphiriou-Zarifi
T. Bowley

The beneficial interests of the directors holding office on 30th June 1996 in the issued share capital of the company were as follows:

	30.6.96	1.7.95
Ordinary £1 shares		
I D Grant	12,500	12,500
R.L.J. Grant	12,500	12,500
A.C. Zaphiriou-Zarifi	12,500	12,500
T. Bowley	12,500	12,500

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 that 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.

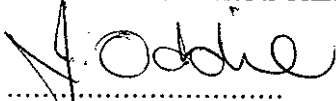
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Maurice I. Esterson & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

In preparing this report, the directors have taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

ON BEHALF OF THE BOARD:



J Oddie - SECRETARY

Dated: 12th March 1997

NORTHERN ENGLAND ESTATES LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
NORTHERN ENGLAND ESTATES LIMITED

We have audited the financial statements on pages four to ten which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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.

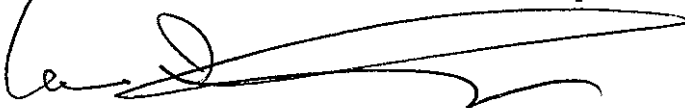
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion, we have considered the future viability of the company given that its liabilities exceeds its assets by £50151 at 30th June 1996. The accounts have been prepared on a going concern basis which assumes that existing financial facilities provided by the directors and bank will continue until such time as the company has traded back to solvency. In the event that financial support has continued since the year-end. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Maurice I. Esterson & Co.
Chartered Accountants
& Registered Auditor
76 New Cavendish Street
London W1M 7LB

Dated: 15th April 1997

NORTHERN ENGLAND ESTATES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30th June 1996

		30.6.96	30.6.95
	Notes	£	£
TURNOVER	2	141,862	144,506
GROSS PROFIT		<u>141,862</u>	<u>144,506</u>
Administrative expenses		57,749	64,160
OPERATING PROFIT	3	<u>84,113</u>	<u>80,346</u>
Interest payable and similar charges		86,140	87,178
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(2,027)</u>	<u>(6,832)</u>
Tax on loss on ordinary activities		192	2,750
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(2,219)</u>	<u>(9,582)</u>
Deficit brought forward		<u>(97,932)</u>	<u>(88,350)</u>
DEFICIT CARRIED FORWARD		<u><u>£(100,151)</u></u>	<u><u>£(97,932)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

NORTHERN ENGLAND ESTATES LIMITED

BALANCE SHEET

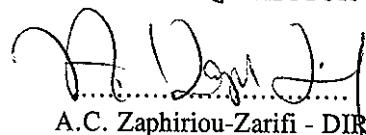
30th June 1996

		<u>30.6.96</u>		<u>30.6.95</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		920,159		968,159
Investments	5		2		2
			<u>920,161</u>		<u>968,161</u>
CURRENT ASSETS:					
Debtors	6	91,292		97,339	
CREDITORS: Amounts falling due within one year	7	<u>376,357</u>		<u>386,854</u>	
NET CURRENT LIABILITIES:			<u>(285,065)</u>		<u>(289,515)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			635,096		678,646
CREDITORS: Amounts falling due after more than one year	8		<u>685,247</u>		<u>726,578</u>
			<u>£(50,151)</u>		<u>£(47,932)</u>
CAPITAL AND RESERVES:					
Called up share capital	11		50,000		50,000
Profit and loss account			<u>(100,151)</u>		<u>(97,932)</u>
Shareholders' funds	13		<u>£(50,151)</u>		<u>£(47,932)</u>

In preparing these financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


R.L.J. Grant - DIRECTOR


A.C. Zaphiriou-Zarifi - DIRECTOR

Approved by the Board on 4/3/1997....

The notes form part of these financial statements

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents rents received from properties owned in the U.K.

Tangible fixed assets and depreciation

In accordance with SSAP 19, properties held for investment purposes are classified as investment properties and no depreciation is charged in respect of these properties.

Group Accounts

The financial statements represent information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 248 of the Companies Act 1985 as it is a small sized group.

2. TURNOVER

The turnover and loss before taxation are attributable to the principal activities of the company.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.6.96	30.6.95
	£	£
Profit on disposal of fixed assets	(6,093)	-
Auditors' remuneration	1,000	900
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

4. TANGIBLE FIXED ASSETS

	Buildings
	£
COST:	
At 1st July 1995	968,159
Disposals	(48,000)
	<u> </u>
At 30th June 1996	920,159
	<u> </u>
NET BOOK VALUE:	
At 30th June 1996	920,159
	<u> </u>
At 30th June 1995	968,159
	<u> </u>

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 1996

Land and buildings are shown at cost in the balance sheet and the current market value of which is, in the opinion of the directors, in the region of £1,112,500.

5. **FIXED ASSET INVESTMENTS**

	£	
COST:		
At 1st July 1995		
and 30th June 1996		2
		==
NET BOOK VALUE:		
At 30th June 1996		£2
		==
At 30th June 1995		£2
		==
	30.6.96	30.6.95
	£	£
Unlisted investments	2	2
	==	==

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Northern England Property Company Limited
Nature of business: Property dealing and management

	%
Class of shares:	holding
Ordinary	100.00

6. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.6.96	30.6.95
	£	£
Trade debtors	24,687	31,166
Other debtors	-	2
Prepayments	298	-
Director's loan account	5,375	5,479
Amounts owed by group		
undertaking	60,932	60,692
	==	==
	91,292	97,339
	==	==

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 1996

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.6.96	30.6.95
	£	£
Bank loans and overdrafts (see note 9)	244,373	279,768
Loans (see note 9)	20,000	20,000
Other creditors	-	25
Taxation	10,222	12,972
Accruals and deferred income	101,762	74,089
	<u>376,357</u>	<u>386,854</u>

**8. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.6.96	30.6.95
	£	£
Bank loans (see note 9)	385,247	426,578
Directors loans	200,000	200,000
Bank loan(unsecured)	100,000	100,000
	<u>685,247</u>	<u>726,578</u>

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 1996

9. **LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	30.6.96 £	30.6.95 £
Amounts falling due within one year or on demand:		
Bank overdrafts	185,105	220,065
Bank loans	59,268	59,703
Loans	20,000	20,000
	<u>264,373</u>	<u>299,768</u>
Amounts falling due between one and two years:		
Bank loans	<u>59,268</u>	<u>57,516</u>
Amounts falling due between two and five years:		
Bank loans	<u>177,804</u>	<u>172,548</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>148,175</u>	<u>196,514</u>

The company's bank loan was undertaken on the 24th November, 1993, and is repayable over 10 years in quarterly instalments at a variable interest rate. This loan is secured by fixed charge over the properties owned by itself as well as those owned by its subsidiary, Northern England Property Company Limited.

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.6.96 £	30.6.95 £
Bank overdrafts	185,105	220,065
Bank loans	444,515	486,281
	<u>629,620</u>	<u>706,346</u>

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 1996

11. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.96	30.6.95
		£	£	£
50,000	Ordinary	£1	50,000	50,000
			<u>50,000</u>	<u>50,000</u>

12. **TRANSACTIONS WITH DIRECTORS**

Commissions in the sum of £12485 were paid to Foxton Investments Limited T. Bowley is a director of both Foxton Investments Limited and Northern England Estates Limited.

13. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.6.96	30.6.95
	£	£
Loss for the financial year	(2,219)	(9,582)
NET REDUCTION OF SHAREHOLDERS' FUNDS	<u>(2,219)</u>	<u>(9,582)</u>
Opening shareholders' funds	(47,932)	(38,350)
CLOSING SHAREHOLDERS' FUNDS	<u>(50,151)</u>	<u>(47,932)</u>
Equity interests	<u>(50,151)</u>	<u>(47,932)</u>