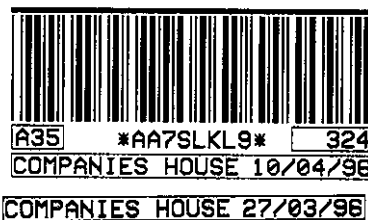


NORTHERN ENGLAND ESTATES LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1995



NORTHERN ENGLAND ESTATES LIMITED

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for the year ended 30th June 1995

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NORTHERN ENGLAND ESTATES LIMITED

COMPANY INFORMATION
for the year ended 30th June 1995

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 1995**

The directors present their report with the financial statements of the company for the year ended 30th June 1995.

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 1995 in the issued share capital of the company were as follows:

	30.6.95	1.7.94
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.

NORTHERN ENGLAND ESTATES LIMITED

REPORT OF THE DIRECTORS
for the year ended 30th June 1995

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:

SECRETARY

J Oddie

Dated: 15 - 3 - 96

NORTHERN ENGLAND ESTATES LIMITED

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

We have audited the financial statements on pages five to twelve which have been prepared under the historical cost convention and the accounting policies set out on page eight.

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.

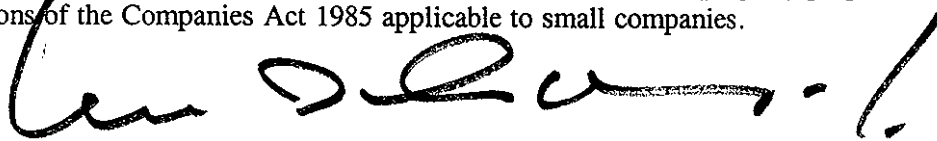
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 £47932 at 30th June 1995. 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 1995 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: 22nd March 1996

NORTHERN ENGLAND ESTATES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30th June 1995

		1995	1994
	Notes	£	£
TURNOVER	2	144,506	138,071
GROSS PROFIT		144,506	138,071
Administrative expenses		64,160	65,019
		80,346	73,052
Other operating income	3	-	25,553
OPERATING PROFIT	4	80,346	98,605
Interest payable and similar charges		87,178	76,277
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,832)	22,328
Tax on (loss)/profit on ordinary activities		2,750	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(9,582)	22,328
Deficit brought forward		(88,350)	(110,678)
DEFICIT CARRIED FORWARD		<u>£(97,932)</u>	<u>£(88,350)</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 loss for the current year and the profit for the previous year.

The notes form part of these financial statements

NORTHERN ENGLAND ESTATES LIMITED

BALANCE SHEET
30th June 1995

		1995		1994	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		968,159		968,159
Investments	6		2		2
			<u>968,161</u>		<u>968,161</u>
CURRENT ASSETS:					
Debtors	7	97,339		105,927	
Cash in hand		-		518	
		<u>97,339</u>		<u>106,445</u>	
CREDITORS: Amounts falling due within one year	8	<u>486,854</u>		<u>412,956</u>	
NET CURRENT LIABILITIES:			<u>(389,515)</u>		<u>(306,511)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			578,646		661,650
CREDITORS: Amounts falling due after more than one year	9		626,578		700,000
			<u>£(47,932)</u>		<u>£(38,350)</u>
CAPITAL AND RESERVES:					
Called up share capital	12		50,000		50,000
Profit & loss account			<u>(97,932)</u>		<u>(88,350)</u>
Shareholders' funds	14		<u>£(47,932)</u>		<u>£(38,350)</u>

The notes form part of these financial statements

NORTHERN ENGLAND ESTATES LIMITED

BALANCE SHEET

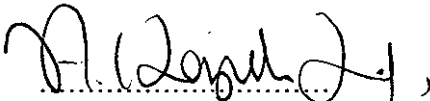
30th June 1995

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.G. Grant - DIRECTOR



A.C. Zaphiriou-Zarifi - DIRECTOR

Approved by the Board on15.3.96.....

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 30th June 1995**

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 in the UK.

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.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

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 (1994 - profit) before taxation are attributable to the principal activities of the company.

3. OTHER OPERATING INCOME

	1995	1994
	£	£
Profit on disposal of property	-	25,553

4. OPERATING PROFIT

The operating profit is stated after charging:

	1995	1994
	£	£
Auditors' remuneration	900	1,250
Directors' emoluments	-	-

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 1995

5. TANGIBLE FIXED ASSETS

	Land and buildings
	<u>£</u>
COST:	
At 1st July 1994	
and 30th June 1995	<u>968,159</u>
NET BOOK VALUE:	
At 30th June 1995	<u>968,159</u>
At 30th June 1994	<u><u>968,159</u></u>

Land and buildings are shown at cost in the balance sheet and which in the opinion of the directors is equivalent to the current market value.

6. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1st July 1994		
and 30th June 1995		<u>2</u>
NET BOOK VALUE:		
At 30th June 1995		<u>£2</u>
At 30th June 1994		<u>£2</u>
	1995	1994
	£	£
Unlisted investments	<u>2</u>	<u>2</u>

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

Northern England Property Company Limited

Registered: England and Wales

Nature of business: Property dealing and management

Class of shares:	%
Ordinary	holding 100.00

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 1995

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

	1995 £	1994 £
Trade debtors	31,166	27,659
Other debtors	2	13,455
Director's loan account	5,479	4,286
Amounts owed by group undertaking	60,692	60,527
	<u>97,339</u>	<u>105,927</u>

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

	1995 £	1994 £
Bank loans and overdrafts (see note 10)	399,768	331,351
Other creditors	25	53,717
Social security & other taxes	10,222	10,222
Taxation	2,750	-
Accruals and deferred income	74,089	17,666
	<u>486,854</u>	<u>412,956</u>

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

	1995 £	1994 £
Bank loans (see note 10)	426,578	500,000
Directors loans (see note 10)	200,000	200,000
	<u>626,578</u>	<u>700,000</u>

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 1995

10. LOANS AND OVERDRAFTS

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

	1995 £	1994 £
Amounts falling due within one year or on demand:		
Bank overdrafts	220,065	-
Bank loans	179,703	331,351
	<u>399,768</u>	<u>331,351</u>
Amounts falling due between one and two years:		
Bank loans	<u>57,516</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	172,548	500,000
Directors loans	200,000	200,000
	<u>372,548</u>	<u>700,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>196,514</u>	<u>-</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.

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 1995

11. SECURED DEBTS

The following secured debts are included within creditors:

	1995 £	1994 £
Bank overdrafts	220,065	-
Bank loans	606,281	831,351
	<u>826,346</u>	<u>831,351</u>

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1995 £	1994 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

13. TRANSACTIONS WITH DIRECTORS

Commissions in the sum of £10927 were paid to Foxton Investments Limited T. Bowley is a director of both Foxton Investments Limited and Northern England Estates Limited.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
(Loss)/Profit for the financial year	<u>(9,582)</u>	<u>22,328</u>
NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS	(9,582)	22,328
Opening shareholders' funds	<u>(38,350)</u>	<u>(60,678)</u>
CLOSING SHAREHOLDERS' FUNDS	<u>(47,932)</u>	<u>(38,350)</u>
Equity interests	<u>(47,932)</u>	<u>(38,350)</u>