

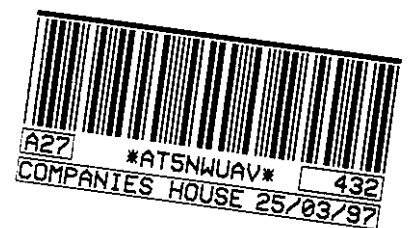
MUREHOUSE PROPERTIES LIMITED

Registered No. 2540696

ABBREVIATED ACCOUNTS

YEAR ENDED

31 DECEMBER 1996



MUREHOUSE PROPERTIES LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 1996

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AUDITORS' REPORT TO MUREHOUSE PROPERTIES LIMITED

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 Murehouse Properties Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 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 31 December 1996, and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that schedule.

Other information

On 27 February 1997 we reported, as auditors of Murehouse Properties Limited, to the shareholders on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

"REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

MUREHOUSE PROPERTIES LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention as modified by the revaluation of freehold investment properties and the accounting policies set out on page 7.

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.

AUDITORS' REPORT TO MUREHOUSE PROPERTIES LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (CONTINUED)

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 as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Cooper - Parry

COOPER-PARRY

NOTTINGHAM

Chartered Accountants

27 February 1997

Registered Auditor

MUREHOUSE PROPERTIES LIMITED

ABBREVIATED BALANCE SHEET

At 31 December 1996

	Notes	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	2		270,333		270,797
Current assets					
Debtors	3	1,041		1,402	
Cash at bank		8,532		6,305	
		<u>9,573</u>		<u>7,707</u>	
Creditors: amounts falling due within one year	4	<u>(61,661)</u>		<u>(70,037)</u>	
Net current assets/liabilities			<u>(52,088)</u>		<u>(62,330)</u>
Net assets/liabilities			<u>218,245</u>		<u>208,467</u>
Capital and reserves					
Called up share capital	5		186,002		186,002
Share premium account			27,368		27,368
Profit and loss account			4,875		(4,903)
Shareholders' funds/deficiency			<u>218,245</u>		<u>208,467</u>

The directors have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company qualifies as a small company.

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 grounds that in their opinion, the company is entitled to those exemptions as a small company.

Approved by the board of directors

MD BOOLER FCII

CA BUTTERFIELD FCA
Directors

Approved by the board on 27 February 1997

The notes on pages 4 and 5 form part of these abbreviated accounts.

MUREHOUSE PROPERTIES LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 1996

1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold investment properties. Compliance with SSAP 19 'Accounting for Investment Properties' requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given in 'Depreciation' below.

Cash flow statement

The company qualifies as a small company under the Companies Act 1985.

The directors have elected to take advantage of the exemption under Financial Reporting Standard No. 1 not to prepare a cash flow statement.

Turnover

Turnover consists of gross rental income receivable on investment properties.

Depreciation

Depreciation has been provided on fixed assets, excluding investment properties, using the following annual rates and bases:

Straight line basis:	%
Carpets and fittings	15 per annum
Office equipment	15 per annum

In accordance with statement of Standard Accounting Practice No.19 'Accounting for Investment Properties' ("SSAP 19"), freehold land and buildings and leasehold property with over 20 years unexpired held as investment properties are not depreciated. This is not in accordance with the Companies Act 1985, but adoption of SSAP 19 is, in the opinion of the directors, necessary in order for the financial statements to give a true and fair view, as properties are held not for consumption, but for investment.

Investment properties

Freehold investment properties are included in the accounts at open market value, assuming vacant possession, as determined by a firm of independent Chartered Surveyors. It is the Board's intention to incorporate regular revaluations of the properties in the financial statements in accordance with SSAP 19.

Taxation

Deferred tax is provided on all timing differences which are expected to reverse in the future to the extent that they exceed available losses. The provision is calculated at the rate of tax which it is anticipated will apply in the year of assessment. No provision has been made at 31 December 1996.

MUREHOUSE PROPERTIES LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 31 December 1996

2	Tangible fixed assets	Total £
	Cost or valuation	
	At 1 January 1996 and 31 December 1996	273,091
	Depreciation	
	At 1 January 1996	2,294
	Charge for the year	464
	At 31 December 1996	2,758
	Net book values	
	At 31 December 1995	270,797
	At 31 December 1996	270,333

Freehold land and buildings comprising investment properties were valued at £270,000 on 17 February 1995 by Messrs. Savills Walker Walton, Chartered Surveyors, based on open market value assuming vacant possession which in the opinion of the directors is more appropriate than the open market tenanted investment basis. The directors have reconsidered the valuation of the properties owned by the company at 31 December 1996 and consider that there has been no significant change in their values. Messrs Savills Walker Walton act as managing agents to the company.

The historical cost of investment properties included above at valuation of £270,000 was £302,136 (1995 : £302,136). No depreciation is charged on these assets.

3 Debtors

All debts are receivable within one year.

4 Creditors: amounts falling due within one year

Creditors falling due within one year includes a bank loan of £56,000 (1995 : £66,000) secured by way of a first legal charge over freehold property.

5	Called up share capital	1996 £	1995 £
	Authorised:		
	1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
	Issued and fully paid:		
	186,002 Ordinary shares of £1 each	186,002	186,002

In accordance with the terms of agreements dated 19 November 1990 the company has granted options to subscribe for ordinary shares in the company at par to CA Butterfield and MD Booter. The number of shares which may be subscribed for is dependent on the company's performance.

6 Related party transactions

CA Butterfield is the principal of CA Butterfield and Co. which received fees of £2,702 (1995 : £2,609) plus VAT during the year for the provision of accounting, administrative and management services.