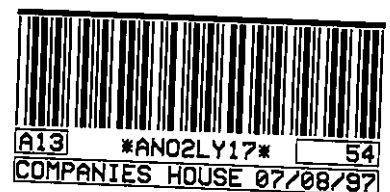


CHELTER PROPERTIES LIMITED

COMPANY PARTICULARS

Reg 1/61

DIRECTORS	D. S. Gardener, Esq. Mrs. P. M. Gardener
SECRETARY	Mrs. P. M. Gardener
ACCOUNTANTS	Messrs. Barretts, Chartered Accountants, Waycotts Buildings, 62 Hyde Road, Paignton, Devon. TQ4 5BY
REGISTERED OFFICE	Waycotts Buildings, 62 Hyde Road, Paignton, Devon. TQ2 5BY
COMPANY NUMBER	2767933



CHELTER PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30th November 1996.

RESULTS

The trading profit for the year after tax was £9,611.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was property management.

DIRECTORS

The directors who served during the year and their interests in the ordinary share capital of the company throughout were as follows:

£1 Ordinary Shares

D. S. & Mrs. P. M. Gardener	150,000
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the directors to prepare accounts 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 accounts, the directors are required to select suitable accounting policies; and then apply them consistently; make judgements and estimates that are reasonable and prudent; prepare the accounts 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 accounts 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.

Advantage has been taken in the preparation of the directors report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

BY ORDER OF THE BOARD

PM Gardener

(Secretary)

date 15th April 1997

CHELTER PROPERTIES LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH NOVEMBER 1996

	Notes	1996 £	1995 £
Turnover - rental income		27,582	38,548
Administrative expenses		14,227	15,509
Profit on ordinary activities before taxation	2	13,355	23,039
Tax on profit on ordinary activities		3,744	5,512
Profit on ordinary activities after taxation			
retained and transferred to reserves	8	£ 9,611	£ 17,527

The company's results derive from continuing activities.

The company has no recognised gains or losses other than the profit for the year.

Movement on reserves are set out in note 7 on page 7.

CHELTER PROPERTIES LIMITED

BALANCE SHEET

AS AT 30TH NOVEMBER 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	3	655,006	614,681
CURRENT ASSETS			
Debtors	4	571	-
Cash at bank and in hand		7,650	4,788
		<u>8,221</u>	<u>4,788</u>
CREDITORS: amounts falling due within one year	5	6,177	13,030
		<u></u>	<u></u>
NET CURRENT ASSETS/(LIABILITIES)		2,044	(8,242)
		<u></u>	<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES		657,050	606,439
CREDITORS: amounts falling due after more than one year	5	447,920	406,920
		<u></u>	<u></u>
		£ 209,130	£ 199,519
		<u></u>	<u></u>
CAPITAL AND RESERVES			
Called up share capital	6	150,000	150,000
Profit and loss account	7	59,130	49,519
		<u></u>	<u></u>
Shareholders funds	7	£ 209,130	£ 199,519
		<u></u>	<u></u>

For the year in question, the company was entitled to exemption from an audit under Section 249A(1) of the Companies Act 1985. No notice has been deposited under Section 249B(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:-

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts so far as applicable to the company.

Advantage has been taken in the preparation of the accounts of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

Approved by the Board on 15th April 1997

and signed on its behalf by D. Carbee Director

CHELTER PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH NOVEMBER 1996

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied.

a) Format of Accounts

In the opinion of the directors, the standard format of the profit and loss account as laid down by the Companies Act 1985, Schedule 4, would not present a fair view of the results of the company. Accordingly, the format of the profit and loss account has been amended as permitted by Section 225(5) of the Companies Act 1985.

b) Rental Income

Rental income represents rents receivable during the year.

c) Tangible Fixed Assets and Depreciation

Tangible assets other than freehold land are depreciated on a reducing balance basis over their estimated useful lives, at the following rates:-

Freehold buildings	Nil
Fixtures and fittings	15%

No depreciation is provided on freehold property. It is the company's policy to maintain its buildings in such condition that their value is not impaired by the passage of time. Such expenditure is charged to the profit and loss account in the year in which it is committed. As a consequence any element of depreciation would, in the opinion of the directors, be immaterial and no provision has been made.

d) Deferred Taxation

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1996	1995
	£	£
This is stated after charging:		
Depreciation written off tangible fixed assets	548	474
	==	==

CHELTER PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH NOVEMBER 1996

3. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Total £
Cost			
At 1st December 1995	611,995	4,255	616,250
Additions	39,908	965	40,873
At 30th November 1996	651,903	5,220	657,123
Depreciation			
At 1st December 1995	-	1,569	1,569
Charge for the year	-	548	548
At 30th November 1996	-	2,117	2,117
Net Book Value			
At 30th November 1996	651,903	3,103	655,006
At 30th November 1995	611,995	2,686	614,681

4. DEBTORS

	1996 £	1995 £
Other debtors	571	-

5. CREDITORS

	1996 £	1995 £
Amounts falling due within one year:		
Trade creditors	564	6,124
Corporation tax	3,744	5,512
Other creditors	1,869	1,394
	6,177	13,030
Amounts falling due after more than one year:		
Other creditors	447,920	406,920

CHELTER PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH NOVEMBER 1996

6. SHARE CAPITAL

There was no change in share capital during the year.

	Authorised	Allotted, called up and fully paid
Ordinary shares of £1 each	150,000	150,000
	<hr/>	<hr/>

7. SHAREHOLDERS FUNDS

	Share Capital	Profit & Loss Account	Total 1996	Total 1995
	£	£	£	£
At 1st December 1995	150,000	49,519	199,519	181,992
Retained profit	-	9,611	9,611	17,527
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th November 1996	150,000	59,130	209,130	199,519
	<hr/>	<hr/>	<hr/>	<hr/>