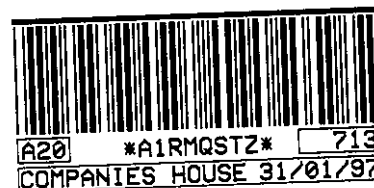


Registrar

Company Number: 2907496

FLANESFORD PRIORY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995



David Hill + Co
CHARTERED ACCOUNTANTS

STRAWBERRY HOW BUSINESS CENTRE · LORTON ROAD · COCKERMOUTH · CUMBRIA CA13 9QX
TELEPHONE: 01900 826446 · FAX: 01900 828866

Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants

FLANESFORD PRIORY LIMITED
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1995

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The following pages do not form part of the Statutory Accounts.

10	Detailed Profit and Loss Account
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FLANESFORD PRIORY LIMITEDCOMPANY INFORMATION

Company Number: 2907496

Registered Office: 4 Sefton Road
Litherland
Liverpool
Merseyside

Directors: Mr D Hill
Mrs M Hill

Bankers: Lloyds Bank
55 Newerne Street
Lydney
GL 15 5RA

Solicitors: Thos. R. Jones & Son
4 Sefton Road
Litherland
Liverpool
Merseyside L21 7PG

Accountants: David Hill + Co
Registered Auditors
Chartered Accountants
Strawberry How Business Centre
Cockermouth
Cumbria
CA13 9QX

FLANESFORD PRIORY LIMITEDDIRECTORS' REPORT

The directors present their report and audited accounts for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

The principal activity of the company during the year under review continued to be that of holding investments and providing management services.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:

	Ordinary shares of £1 each	
	1995	1994
Mr D Hill	50	50
Mrs M Hill	50	50

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 for that period. In preparing those financial statements, the directors are required to:-

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- * 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.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

ON BEHALF OF THE BOARD

Mrs M Hill - Director 

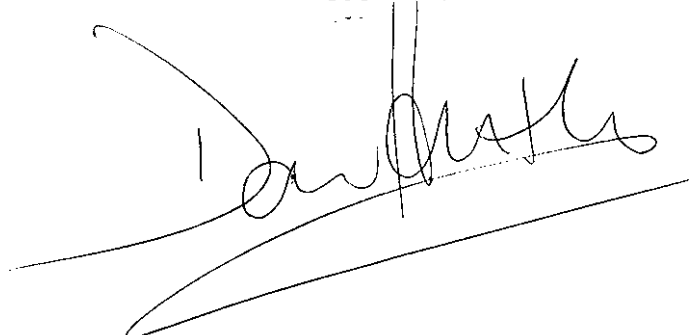
Dated: 29 January 1997

FLANESFORD PRIORY LIMITED
REPORT OF THE ACCOUNTANTS
FOR THE YEAR ENDED 31 DECEMBER 1995

In accordance with the instructions given to us we have prepared, without carrying out an audit, the financial accounts on pages 4 to 9 from the accounting records of Flanesford Priory Limited and from the information and explanations supplied to us.

DATED: 29 January 1997

DAVID HILL + CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
COCKERMOUTH

A large, stylized handwritten signature, likely of David Hill, is written over a horizontal line. The signature is in dark ink and appears to be a cursive or semi-cursive script.

FLANESFORD PRIORY LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995

	Notes	<u>1995</u> £	<u>1994</u> £
TURNOVER	2	59,949	49,109
GROSS PROFIT		59,949	49,109
Administrative expenses		(18,467)	(5,897)
OTHER OPERATING INCOME		41,482 1,840	43,212 -
OPERATING PROFIT	3	43,322	43,212
Interest payable	4	(21,178)	(10,419)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		22,144	32,793
Taxation	5	(7,063)	(7,773)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		15,081	25,020
Profit on sale of subsidiary company		7,402	
Less Taxation		(1,850)	
PROFIT FOR THE YEAR		20,633	25,020

STATEMENT OF RETAINED PROFIT

Retained profit brought forward	25,020	-
Retained Profit for the Year	20,633	25,020
RETAINED PROFIT CARRIED FORWARD	£ 45,653	25,020

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses in the current or the previous year other than the profit or loss for the year.

CONTINUING OPERATIONS

All of the operations undertaken by the company during the current and preceding year are continuing operations.

The notes on pages 7 to 9 form part of these financial statements.

FLANESFORD PRIORY LIMITEDBALANCE SHEET AS AT 31 DECEMBER 1995

	Notes	<u>1995</u>		<u>1994</u>	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	6		296,651		302,757
Investments			-		98
			<u>296,651</u>		<u>302,855</u>
CURRENT ASSETS					
Debtors	7	7,423		-	
		<u>7,423</u>		<u>-</u>	
CREDITORS: Amounts falling due within one year	8	78,534		277,735	
NET CURRENT LIABILITIES			<u>(71,111)</u>	<u>(277,735)</u>	
TOTAL ASSETS					
LESS CURRENT LIABILITIES			225,540		25,120
CREDITORS: Amounts falling due after more than one year	9		<u>(179,787)</u>		<u>-</u>
			<u>£ 45,753</u>		<u>£ 25,120</u>
CAPITAL & RESERVES					
Called up Share Capital	10		100		100
Profit and Loss Account			<u>45,653</u>		<u>25,020</u>
			<u>£ 45,753</u>		<u>£ 25,120</u>

Cont/..

FLANESFORD PRIORY LIMITEDBALANCE SHEET AS AT 31 DECEMBER 1995 ..Continued

The company is entitled to take advantage of the total exemption from audit given by Section 249A(1) of the Companies Act 1985 for the year ended 31 December 1995.

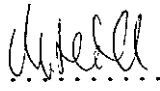
No notice has been deposited by holders of 10% or more of the issued share capital of the company requiring an audit of the financial accounts.

The directors acknowledge their responsibility for:-

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its profit for the year in accordance with section 226 of the Companies Act 1985.

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

ON BEHALF OF THE BOARD

M Hill - Director.....

Dated: 29 January 1997

FLANESFORD PRIORY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIESAccounting Convention

These accounts have been prepared the historical cost convention.

Tangible Fixed Assets and Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold or long leasehold land, to write off the cost or valuation, less estimated residual value, of each asset over its expected useful economic life, as follows:-

Buildings	2%	Straight Line
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Depreciation is provided for a full year in the year of acquisition, and none in the year of disposal.

Leased Assets

The costs of operating leases are charged to the profit and loss account in the period in which they are incurred.

Deferred Taxation

No deferred taxation is provided on timing differences arising between profits as computed for taxation purposes and profits as stated in the accounts as no liability is expected to arise in the foreseeable future.

Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement.

2. TURNOVER

The turnover and result before taxation is attributable to the principal activity of the company, and is earned entirely within the United Kingdom.

3. OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
	£	£
Profit on Ordinary Activities is arrived at after charging:		
Depreciation	6,106	2,544
	<u> </u>	<u> </u>
Audit Fees	-	226
	<u> </u>	<u> </u>

4. INTEREST PAYABLE

	<u>1995</u>	<u>1994</u>
	£	£
Bank Interest	212	10,419
Bank Loan Interest	20,966	-
	<u> </u>	<u> </u>
	21,178	10,419
	<u> </u>	<u> </u>

FLANESFORD PRIORY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 19955. TAXATION

	<u>1995</u>	<u>1994</u>
	£	£
Corporation Tax on the profits for the year at 25%	8,913	7,773

6. TANGIBLE ASSETS

	Property	TOTAL
COST		
At 1 January 1995	305,301	305,301
At 31 December 1995	305,301	305,301
DEPRECIATION		
At 1 January 1995	2,544	2,544
Charge for the year	6,106	6,106
At 31 December 1995	8,650	8,650
NET BOOK VALUE		
At 31 December 1995	296,651	296,651
At 31 December 1994	302,757	302,757

INVESTMENTS

Shares in Flanesford Management Limited were sold to L.D.I. plc on 30 September 1995 for 7,500.

7. DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Trade Debtors	-	2,439
Other Debtors	7,423	1,732
	7,423	4,171

FLANESFORD PRIORY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 19958. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Bank Loans and Overdrafts	33,369	213,795
Other Loans	29,978	49,142
Amounts owed to Group Undertakings	-	5,097
Taxation and Social Security	8,913	7,773
Other Creditors	6,274	1,928
	<u>78,534</u>	<u>277,735</u>

Bank loans and overdrafts are secured by fixed charges over the company's freehold property dated 12 July 1994 and a floating charge over the assets of the group of the same date.

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

	<u>1995</u>	<u>1994</u>
	£	£
Bank Loan	179,787	-
	<u>179,787</u>	<u>-</u>

10. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, Issued and Fully Paid		
100 Ordinary Shares of £1 each	100	100

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the year	20,633	25,020
Opening Shareholders Funds	25,120	-
Shares Issued	-	100
Closing Shareholders Funds	<u>45,753</u>	<u>25,120</u>