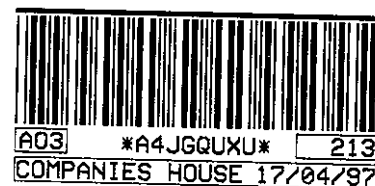


DEVONSHIRE COURT (BLACKPOOL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 1996

Company no. 1074517 (England and Wales)



M. BARNFATHER & CO.
CHARTERED ACCOUNTANTS
16 BIRLEY STREET
BLACKPOOL

DEVONSHIRE COURT (BLACKPOOL) LIMITED

Company Information

Directors	Mrs M. Stephenson Mrs. F. M. McKenzie Mr. W. Smith Mrs. P. Hardman Mrs. E. Riley Miss K. M. Patterson Ms. K. A. Wild
Secretary	Mrs. P. Hardman
Company Number	1074517 (England & Wales)
Registered Office	16 Birley Street BLACKPOOL FY1 1DU
Auditors	M. Barnfather & Co., Registered Auditors and Chartered Accountants 16 Birley Street Blackpool FY1 1DU

DEVONSHIRE COURT (BLACKPOOL) LIMITED

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The following pages do not form part of the statutory accounts:

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DEVONSHIRE COURT (BLACKPOOL) LIMITED

Auditors' Report to the members of Devonshire Court (Blackpool) Limited

We have audited the financial statements on pages 3 to 4 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

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.

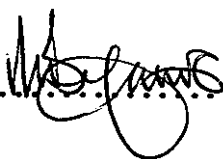
Basis of opinion

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 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 at 31st 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.

.......... Signature

M. Barnfather & Co.
Registered Auditors
and Chartered Accountants
16 Birley Street
Blackpool
Lancashire 25/2/97

DEVONSHIRE COURT (BLACKPOOL) LIMITED
Directors' Report for the year ended 31st December, 1996

The directors present their report and the financial statement for the year ended 31st December, 1996.

Principal Activities and Review of Business

The company's principal activity continues to be that of the service and maintenance of the properties of Devonshire Court, Blackpool.

Directors

The Directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:-

	Share holdings	
	1996	1995
Mrs. M. Stephenson	1	1
Mrs. F. M. McKenzie	1	1
Mr. W. Smith	1	1
Mrs. P. Hardman	1	1
Mrs. E. Riley	1	1
Miss K.M. Patterson	1	1
Ms. K.A. Wild	1	1

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 of 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;
- 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

Messrs. M. Barnfather & Co. Chartered Accountants, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 24/2/1997 taking advantage of special exemptions available to small companies.

Director *P. Naddman.*

DEVONSHIRE COURT (BLACKPOOL) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1996

	NOTE	1996 £	1995 £
Turnover	1.2,2	6750	6005
Gross profit		<u>6750</u>	<u>6005</u>
Administrative expenses		7435	6980
Operating deficiency	3	(685)	(975)
Interest receivable		<u>7</u>	<u>15</u>
Deficiency on ordinary activities before taxation		<u>(678)</u>	<u>(960)</u>
Taxation on surplus on ordinary activities	5	<u>-</u>	<u>-</u>
Surplus on ordinary activities after taxation		<u>678</u>	<u>960</u>
Deficiency for the year		<u>(678)</u>	<u>(960)</u>
Retained profit brought forward		<u>1704</u>	<u>2664</u>
Retained profit carried forward		<u><u>1026</u></u>	<u><u>1704</u></u>

The notes on pages 5 to 6 form part of these financial statements

DEVONSHIRE COURT (BLACKPOOL) LIMITED
BALANCE SHEET AS AT 31ST DECEMBER, 1996

Fixed assets	NOTE	1996	1995
Tangible assets	6	243	91
Intangible assets		1756	1756
		<u>1999</u>	<u>1847</u>
Current assets			
Cash at bank and in hand		1018	1826
		<u>1018</u>	<u>1826</u>
Creditors: amounts falling due within one year	7	330	309
Net current assets		<u>688</u>	<u>1517</u>
Total assets less current liabilities		<u>2687</u>	<u>3364</u>
Net assets		<u>2687</u>	<u>3364</u>
Capital and reserves			
Called up share capital	8	31	31
Capital reserve		1630	1630
Profit and loss account		1026	1704
Shareholders' funds		<u>2687</u>	<u>3365</u>

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of Section 237 of the Companies Act 1985.

The notes on pages 5 to 6 form an integral part of these financial statements.

Signed on behalf of the board of directors

Director *P. Habohman.*

Approved by the board on *24/2/97*

DEVONSHIRE COURT (BLACKPOOL) LIMITED

Notes to the financial statements for the year ended 31st December, 1996

1. Accounting Policies

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost of valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment 20% reducing balance basis

2. Turnover

The whole of the turnover and deficiency before taxation is attributable to the one principal activity of the company. All the turnover relates to the United Kingdom.

3. Operating Deficiency

The operating deficiency is stated after charging:

	1996	1995
Depreciation of fixed assets owned by the company	27	23
Auditors remuneration	294	294

4. Directors remuneration

No remuneration was paid to the directors during the year.

5. Taxation

No provision has been made for taxation as the bank interest received by the company is considered below the de minimis limit on income tax assessments.

continued

DEVONSHIRE COURT (BLACKPOOL) LIMITED

6. Tangible fixed assets	1996	1995
	Lawnmowers £	
at 1st Jan 1996	222	222
Additions	(222)	-
No additions or disposals	270	-
	<u>270</u>	<u>-</u>
at 31st Dec 1996	270	222
	<u>270</u>	<u>222</u>
Depreciation		
at 1st Jan 1996	130	107
Disposals for year	(130)	23
	<u>27</u>	<u>130</u>
at 31st Dec 1996	27	130
	<u>27</u>	<u>130</u>
Net book value		
at 31st Dec 1995	115	91
	<u>115</u>	<u>91</u>
at 31st Dec 1996	243	115
	<u>243</u>	<u>115</u>
7. Creditors:		
Amounts falling due within one year		
Trade creditors	294	294
Accruals and deferred income	37	15
	<u>331</u>	<u>309</u>
	<u>331</u>	<u>309</u>
8. Called up share capital		
	1996	1995
Authorised Ordinary shares of £1 each	100	100
Issued ordinary share of £1 each	31	31
10. Movement on shareholders funds		
	1996	1995
Deficiency for the year	(678)	(960)
Opening shareholders funds	3365	4325
	<u>3365</u>	<u>4325</u>
Closing shareholders funds	2687	3365
	<u>2687</u>	<u>3365</u>

DEVONSHIRE COURT (BLACKPOOL) LIMITED.

Income and expenditure for the year ended 31st December, 1996

1995

Income for the year

6000	Service charges	6750.00
5	Transfer fees	-
<hr/>		<hr/>
6005		6750.00
15	Building society interest received	6.63
<hr/>		<hr/>
6020		6756.63

Less: Expenditure

634	Roof repair	-
434	Lighting of communal parts	392.49
726	Repairs & Renewals	3466.97
1537	Insurance premiums	1537.50
294	Accountancy & audit fees	293.75
1407	Cleaning & gardening expenses	1377.60
51	Sundry expenses	29.85
18	Registration fees	18.00
50	Christmas gratuities	50.00
1757	Resurfacing garage forecourt	-
23	Depreciation	27.00
-	Loss on sale of lawn mower	91.95
50	Written off	-
-	TV Aerials	150.00
<hr/>		<hr/>
6980		7435.11
<hr/>		<hr/>
(960)	SURPLUS of EXPENDITURE OVER INCOME For the Year	(678.48)
2664	Surplus brought forward	1703.74
<hr/>		<hr/>
1704	Balance carried forward	£ 1025.26
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