

WIDNES DIVISION CONSERVATIVE CLUB

BUILDINGS COMPANY LIMITED

FINANCIAL STATEMENTS

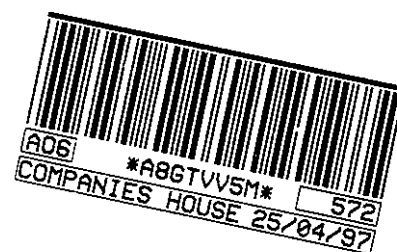
31ST DECEMBER 1996

Registered number: 23273

MITCHELL CHARLESWORTH

CHARTERED ACCOUNTANTS

Widnes



WIDNES DIVISION CONSERVATIVE CLUB BUILDINGS COMPANY LIMITED

FINANCIAL STATEMENTS

for the year ended 31st December 1996

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WIDNES DIVISION CONSERVATIVE CLUB BUILDINGS COMPANY LIMITED

COMPANY INFORMATION

31st December 1996

Incorporated in England on 13th October 1886, number 23273.

CHAIRMAN B.C. Hensley

SECRETARY F. Grayson

REGISTERED OFFICE 61 Victoria Road
Widnes
Cheshire
WA8 7RA

BANKERS National Westminster Bank PLC
21 Victoria Road
Widnes
Cheshire
WA8 0PX

AUDITORS Mitchell Charlesworth
Chartered Accountants
101 Albert Road
Widnes
Cheshire
WA8 6LD

WIDNES DIVISION CONSERVATIVE CLUB BUILDINGS COMPANY LIMITED

DIRECTOR'S REPORT

31st December 1996

The director presents his report and the audited financial statements for the year ended 31st December 1996.

Principal activity

The principal activity of the company continued to be the receipt of rental income.

Directors

The director of the company at 31st December 1996 and his interest in the shares of the company as recorded in the register of directors' interests were as follows:

	31st December 1996 Ordinary shares	1st January 1996 Ordinary shares
B.C. Hensley	5	5

Auditors

Mitchell Charlesworth will be proposed for re-appointment as auditors of the company in accordance with Section 385 of the Companies Act 1985.

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

By order of the director

F Grayson

F. Grayson
Secretary

17th March 1997

WIDNES DIVISION CONSERVATIVE CLUB BUILDINGS COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors of a company are required by the Companies Act 1985 to prepare financial statements for each financial period 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 apply them consistently;
- make reasonable and prudent judgements and estimates;
- 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 also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

Mitchell Charlesworth

Chartered Accountants

101 Albert Road Widnes WA8 6LD

Auditors' report to the members of

Widnes Division Conservative Club Buildings Company Limited

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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 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 error or other irregularity. 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 adequacy of the disclosures made in the financial statements concerning the current excess of liabilities over assets. Details of the circumstances relating to this fundamental uncertainty are described in note 11. Our opinion is not qualified in this respect.

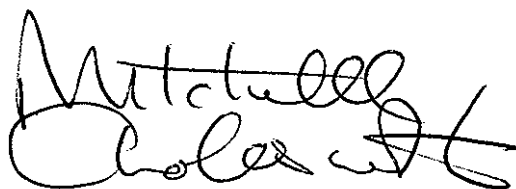
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 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.

Mitchell Charlesworth

Registered Auditor

18th March 1997



WIDNES DIVISION CONSERVATIVE CLUB BUILDINGS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1996

	Note	1996 £	1995 £
Turnover	2	1,750	1,750
Net operating expenses			
Administrative expenses		1,774	1,527
Operating (loss)/profit	3	(24)	223
Interest receivable	4	11	11
(Loss)/profit on ordinary activities before taxation		(13)	234
Taxation		-	3
(Loss)/profit on ordinary activities after taxation retained for the year	11	(13)	231

Movements in reserves are shown in note 11.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the (loss) /profit for the year.

WIDNES DIVISION CONSERVATIVE CLUB BUILDINGS COMPANY LIMITED

BALANCE SHEET

at 31st December 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	5		3,437		3,437
Current assets					
Debtors	7	70		70	
Cash at bank and in hand		800		996	
			870		1,066
Creditors: amounts becoming due and payable within one year	8	470		355	
Net current assets			400		711
Total assets less current liabilities			3,837		4,148
Creditors: amounts becoming due and payable after more than one year	9		7,381		7,679
			(3,544)		(3,531)
Capital and reserves					
Called up share capital	10		1,644		1,644
Profit and loss account	11		(5,188)		(5,175)
Total shareholders' funds	12		(3,544)		(3,531)

The director has taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 5 to 9 were approved by the director on

..... 17th March 1997

B.C. Hensley

B.C. Hensley

Director

NOTES TO THE FINANCIAL STATEMENTS

31st December 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and on a going concern basis.

Depreciation

The freehold property is maintained in a sound condition as a matter of company policy by a programme of continuous repair and refurbishment, the costs of which are incurred by the lessee.

The director is therefore of the opinion that as the length of life of the property is so long and the residual value so high, that depreciation of it would not be material. Accordingly, no depreciation is charged.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Operating lease income

Income from land and buildings leased to third parties under lease agreements is recorded as turnover in equal amounts over the period of the lease.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

3 Operating (loss)/profit

	1996 £	1995 £
Operating (loss)/profit is stated after charging:		
Auditors' remuneration	250	250

4 Interest receivable

	1996 £	1995 £
Interest receivable	11	11

NOTES TO THE FINANCIAL STATEMENTS

31st December 1996

5 Tangible fixed assets

	Land and buildings £
Cost or valuation	
1st January 1996 and 31st December 1996	3,437
Net book amount	
1st January 1996 and 31st December 1996	3,437

The director considers that the current market value of the freehold property is in excess of £250,000.

6 Land and buildings

	1996 £	1995 £
Freehold land and buildings leased to third parties	3,437	3,437

7 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	70	70

8 Creditors: amounts becoming due and payable within one year

	1996 £	1995 £
Other creditors	470	355

9 Creditors: amounts becoming due and payable after more than one year

	1996 £	1995 £
Other creditors (secured)	7,381	7,679
Maturity of debt included above		
In five years or more	7,381	7,679
Creditors other than finance leases		
Creditors due after more than five years payable other than by instalments	7,381	7,679

NOTES TO THE FINANCIAL STATEMENTS

31st December 1996

10 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	2,500	2,500	2,500	2,500
Allotted called up and fully paid				
Ordinary shares of £1 each	1,644	1,644	1,644	1,644

11 Profit and loss account

	1996 £
1st January 1996	(5,175)
Retained loss for the year	(13)
31st December 1996	(5,188)

Following poor results over recent years, the director decided during year ended 31st December 1994 to increase the rent charged to the tenant to level that would allow the company to return to profitability and also to enable the company to reduce its indebtedness to Widnes Conservative Club Limited who continue to ensure that sufficient funds are available to meet the normal operating expenses of the company. On this basis, together with the director's statement in note 5 regarding the current market value of the company's freehold property, the director considers that the company is correctly treated as a going concern.

12 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
(Loss)/profit for the financial year representing a net (subtraction from) /addition to shareholders' funds	(13)	231
Opening shareholders' funds	(3,531)	(3,762)
Closing shareholders' funds	(3,544)	(3,531)

WIDNES DIVISION CONSERVATIVE CLUB BUILDINGS COMPANY LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1996

	1996		1995	
	£	£	£	£
Turnover		1,750		1,750
Administrative expenses				
Sundry expenses	15		18	
Property insurance	1,172		1,127	
Audit and accountancy	587		382	
		<u>1,774</u>		<u>1,528</u>
Net trading (loss)/profit for the year		(24)		222
Other income				
Bank deposit interest		<u>11</u>		<u>11</u>
Net (loss)/profit for the year		<u>(13)</u>		<u>233</u>