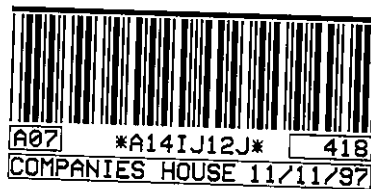


COMPANY No 790660

HOLLINS MURRAY LIMITED

ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997



PARKER GRADWELL & CO.

Chartered Accountants and Registered Auditor

17 Chapel Street, Hyde, Cheshire SK14 1LF

## HOLLINS MURRAY LIMITED

### REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts of the company for the year ended 28th February 1997.

#### PRINCIPAL ACTIVITY

The principal activity of the company was the management of property investment companies and there has been no change in this activity during the year.

#### DIRECTORS

The directors, all of whom were in office during the year, were as follows :-

C.C. Murray	J.C.H. Mills	I.C. Thomas
S.B. Murray	A.J. Murray	T.W. Marshall
R.G. Murray	R.H. Murray	(Appointed Sept. 1996)

Mr. R.H. Murray holds one ordinary share in the company as nominee for The Hollins Murray Group Limited. No other director has any interest in the share capital of the company.

Messrs. R.G. Murray and A.J. Murray retire from the Board by rotation and Mr. T.W. Marshall retires in accordance with the Articles of Association. All, being eligible, offer themselves for re-election.

#### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 to operate.

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.

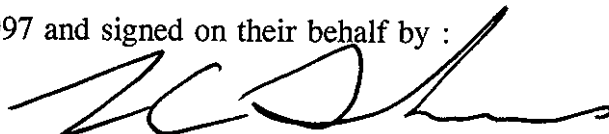
#### AUDITORS

Pursuant to the provisions of Section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually. Messrs. Parker Gradwell & Co. will therefore continue in office.

#### SMALL COMPANY EXEMPTION

Advantage has been taken in the preparation of the Directors' Report of the special exemptions applicable to small companies.

Approved by the Board of Directors on 16th June 1997 and signed on their behalf by :



I.C. THOMAS, F.C.A.,  
Secretary.

HOLLINS MURRAY LIMITEDAUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of Directors and Auditors

As described on page 1 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 28th February 1997 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.



PARKER GRADWELL & CO.

Chartered Accountants and Registered Auditor

16th June 1997

17 Chapel Street, Hyde, Cheshire.

HOLLINS MURRAY LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28TH FEBRUARY 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
<u>TURNOVER</u>	<u>2</u>		
Management commission/ apportionment of expenses		457,892	469,034
<u>ADMINISTRATIVE EXPENSES</u>			
Salaries and directors' remuneration	308,208		320,810
Pensions and pension contributions	11,185		15,467
Rent and rates	12,364		11,083
Electricity	2,032		1,916
Motor and travelling expenses	12,286		14,384
Telephone	3,758		4,399
Printing and stationery	6,449		5,368
Postages	2,438		2,321
Equipment hire	1,344		1,271
Sundry expenses and cleaning	22,934		22,362
Canteen expenses	7,161		6,405
Repairs and maintenance	4,866		4,965
Insurance	6,013		5,905
Bank charges	2,862		3,126
Audit fee	850		850
Depreciation - motor vehicles	12,363		13,552
- furniture	8,421		7,541
Profit on sale of motor vehicle	<u>(1,980)</u>	<u>423,554</u>	<u>(3,225)</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>3</u>	<u>34,338</u>	<u>30,534</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES			
Corporation tax @ 24% (1996 - 25%)		<u>9,688</u>	<u>8,655</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>24,650</u>	<u>21,879</u>
DIVIDEND 2,739% (1996 - 2,431%)		<u>24,650</u>	<u>21,879</u>
RETAINED PROFIT FOR THE YEAR		<u>£ -</u>	<u>£ -</u>

STATEMENT OF RETAINED PROFITS

Retained profit at 29th February 1996	1,947	1,947
Retained profit for the year	<u>-</u>	<u>-</u>
Retained profit at 28th February 1997	<u>£1,947</u>	<u>£1,947</u>

The profit and loss account includes all recognised gains and losses for the year and is prepared using the historical cost basis.

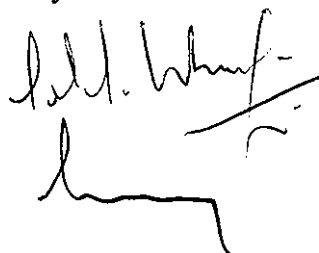
The notes on pages 5 to 7 form part of these accounts

HOLLINS MURRAY LIMITEDBALANCE SHEET AT 28TH FEBRUARY 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Tangible assets	4	48,092	66,448
<u>CURRENT ASSETS</u>			
Sundry debtors and prepayments		10,369	12,789
Cash in hand		<u>755</u>	<u>741</u>
		<u>11,124</u>	<u>13,530</u>
<u>CREDITORS :</u>			
Amounts falling due within one year :			
Other creditors :-			
Sundry creditors and accrued charges		40,746	49,576
Holding company current account		8,268	18,900
Corporation tax due		<u>7,355</u>	<u>8,655</u>
		<u>56,369</u>	<u>77,131</u>
NET CURRENT LIABILITIES		<u>45,245</u>	<u>63,601</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£2,847</u>	<u>£2,847</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	5	900	900
Profit and loss account		<u>1,947</u>	<u>1,947</u>
SHAREHOLDERS' FUNDS	6	<u>£2,847</u>	<u>£2,847</u>

The directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8, Part 1 of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the Board of Directors on 16th June 1997 and signed on its behalf by :



C.C. MURRAY )  
A.J. MURRAY ) Directors

The notes on pages 5 to 7 form part of these accounts

HOLLINS MURRAY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997

1. ACCOUNTING POLICIES

(a) Convention

The accounts have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted are set out below.

(b) Depreciation

Depreciation is provided at the following annual rates, based on the cost of the asset :

Motor Vehicle	20%
Furniture	20%

(c) Pensions

Pension contributions are charged to the profit and loss account in the period in which they are incurred.

(d) Operating Leases

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred.

2. TURNOVER

The turnover and profit for the financial year are attributable to the company's principal activity and are in respect of United Kingdom Income.

3. OPERATING PROFIT

Operating profit is stated after charging :	<u>1997</u>	<u>1996</u>
Depreciation - plant and machinery	18,804	17,868
Payment to director on termination of office	-	30,000
Directors' fees (including benefits)	149,034	146,514
Directors' salaries (including benefits)	150,455	142,140
Auditors' remuneration	<u>850</u>	<u>850</u>

HOLLINS MURRAY LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997

4. <u>TANGIBLE FIXED ASSETS</u>	<u>1997</u>	<u>1996</u>
<u>Furniture</u>		
Cost to 29th February 1996	66,711	59,843
Additions during the year	<u>7,448</u>	<u>6,868</u>
Cost at 28th February 1997	<u>£74,159</u>	<u>£66,711</u>
Depreciation to 29th February 1996	48,593	41,052
Charge for the year	<u>8,421</u>	<u>7,541</u>
Depreciation at 28th February 1997	<u>£57,014</u>	<u>£48,593</u>
Net Book Value at 28th February 1997	<u>£17,145</u>	<u>£18,118</u>
<u>Motor Vehicles</u>		
Cost to 29th February 1996	79,528	75,648
Additions during the year	<u>-</u>	<u>20,623</u>
	79,528	96,271
Sales during the year at cost	<u>17,712</u>	<u>16,743</u>
Cost at 28th February 1997	<u>£61,816</u>	<u>£79,528</u>
Depreciation to 29th February 1996	31,198	34,389
Charge for the year	12,363	13,552
Depreciation on disposals	<u>(12,692)</u>	<u>(16,743)</u>
Depreciation at 28th February 1997	<u>£30,869</u>	<u>£31,198</u>
Net Book Value at 28th February 1997	<u>£30,947</u>	<u>£48,330</u>
<u>Summary</u>		
Furniture	17,145	18,118
Motor vehicles	<u>30,947</u>	<u>48,330</u>
	<u>£48,092</u>	<u>£66,448</u>
5. <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
40,000 Ordinary shares of 25p each	<u>10,000</u>	<u>10,000</u>
<u>Allotted, Issued and Fully Paid</u>		
3,600 Ordinary shares of 25p each	<u>£900</u>	<u>£900</u>

HOLLINS MURRAY LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 19976. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
Profit for the financial year	24,650	21,879
Dividends	<u>24,650</u>	<u>21,879</u>
Net additions to shareholders' funds	-	-
Opening shareholders' funds	<u>2,847</u>	<u>2,847</u>
Closing shareholders' funds	<u>£2,847</u>	<u>£2,847</u>

7. POST BALANCE SHEET EVENTS

There are no events arising since the date of the Balance Sheet which require comment.

8. RELATED PARTY DISCLOSURES

Using the exemption available to subsidiary companies related party transactions with Group Companies have not been disclosed.

9. COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

10. HOLDING COMPANY

The company is a subsidiary of The Hollins Murray Group Limited, a company incorporated in England and Wales.