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**AUDITORS' REPORT TO THE DIRECTORS  
OF RELINTAKE LIMITED**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8  
TO THE COMPANIES ACT 1985, AS AMENDED**

We have examined the abbreviated statutory accounts set out on pages 2 and 3, together with the full statutory accounts of the Company. The scope of our work for the purpose of this report was limited to confirming the opinion set out in the following paragraph.

In our opinion, the directors are entitled under Sections 246 and 247 of the Companies Act 1985, to the exemptions conferred in section A of Part III of Schedule 8 to that Act in respect of the year ended 30th June 1994 and the abbreviated accounts have been properly prepared in accordance with that Schedule.

On 4th December 1994 we reported to the members on the full statutory accounts of the Company prepared under Section 226 of the Companies Act 1985 for the year ended 30th June 1994. Our report under Section 235 of the Companies Act 1985 was as follows:

'We have audited the financial accounts on pages 4 to 6c which have been prepared under the historical cost convention and the accounting policies set out on page 6a.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the Company's Director is responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**BASIS OF OPINION**

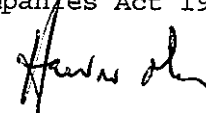
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of financial accounts, 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 accounts 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 accounts.

**OPINION**

The accounts include investment property at cost and not at open market value as required by SSAP 19. The effect is to understate gross and net assets by a substantial but unquantified amount.

Except for the above, in our opinion the financial accounts give a true and fair view of the state of the Company's affairs as at 30th June 1994 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.'



4.12.94

**HAWORTH MOORE**  
Chartered Accountants  
and Registered Auditor  
54 Caunce Street  
Blackpool  
FY1 3LJ

RELINTAKE LIMITEDABBREVIATED BALANCE SHEET  
AS AT 30TH JUNE 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	2	305,758	305,758
<b>CURRENT ASSETS</b>			
Debtors		2,269	1,010
Cash at Bank		8,799	2,756
		<u>11,068</u>	<u>3,766</u>
<b>CREDITORS : Amounts Falling</b>			
Due within One Year		(28,987)	(22,830)
<b>NET CURRENT LIABILITIES</b>		<u>(17,919)</u>	<u>(19,064)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 287,839</u>	<u>£ 286,694</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	3	100	100
Profit and Loss Account		287,739	286,594
<b><u>TOTAL SHAREHOLDERS' FUNDS</u></b>		<u>£ 287,839</u>	<u>£ 286,694</u>

In preparing these abbreviated accounts advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that in the Director's opinion the company is entitled to the benefit of those exemptions as a small company under the provisions of sections 246 and 247 of the Act.

In the preparation of the Company's annual accounts, the Director has taken advantage of special exemptions applicable to small companies provided by Part I of Schedule 8, and has done so on the grounds that, in his opinion, the Company qualifies as a small company.

Signed on behalf of the  
board of directors



Simon Eaves  
Director

Approved by the board:

4.12.94

The notes on page 3 form part of these accounts.

RELINTAKE LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 1994**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

**Turnover**

Turnover and profit before taxation is attributable to the Company's principal activity which is the leasing of property.

**Tangible Fixed Assets**

The Company's property which was newly constructed in 1973 is leasehold for a period of 999 years from 10th July 1891.

No depreciation has been provided on the leasehold property as in the Director's opinion the market value of the property is in excess of the book value (see Note 5). If depreciation of the property had been provided the approximate charge for the year would have been £5,000.

**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 for the year.

**Group Accounts**

Group Accounts have not been prepared as in the opinion of the Director the group qualifies as a small group under Section 248 of the Companies Act 1985.

**2. TANGIBLE FIXED ASSETS**

No depreciation has been provided on the leasehold property as in the opinion of the Director the market value of the property is substantially in excess of the net book value of £305,758. The latest professional valuation of the property was in the amount of £790,000 on 12th July 1988 by Messrs. Preston and Bedford, Chartered Surveyors of Blackpool.

The historical cost of the Leasehold Land and Buildings was £305,758 and if depreciation had been charged the approximate charge for the year would have been £5,000.

**3. SHARE CAPITAL**

	<u>1994</u>	<u>1993</u>
	£	£
Authorised, Allotted and Fully Paid		
100 Ordinary Shares of £1 each	100	100
	<u>          </u>	<u>          </u>

**4. PARENT COMPANY**

The Company is a wholly owned subsidiary of Simon Eaves Limited, a company incorporated in England. The Company has guaranteed the bank borrowings of the parent company, at 30th June 1994 this amounted to £99,900.