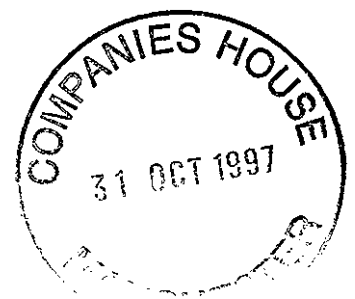


W & J KERN (PROPERTIES) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1996

Registered number: 01211529



W & J KERN (PROPERTIES) LIMITED

FINANCIAL STATEMENTS

for the year ended 31 December 1996

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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W & J KERN (PROPERTIES) LIMITED

COMPANY INFORMATION

31 December 1996

Number	01211529
Chairman	W.H.Kern J.T.Kern
Secretary	E.M.Kern
Registered Office	Kern House Corporation Road Birkenhead Merseyside, L41 1HB
Bankers	Yorkshire Bank 5 Marina Drive Ellesmere Port

W & J KERN (PROPERTIES) LIMITED**DIRECTORS' REPORT****31 December 1996**

The directors present their report and the financial statements for the year ended 31 December 1996.

Principal activity

The principal activity of the company is the management of several industrial properties which it owns.

Directors

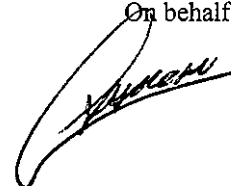
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 December 1996	1 January 1996
	Ordinary shares	Ordinary shares
W.H.Kern	1	1
J.T.Kern	1	1

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



J.T.Kern
Director

Kern House
Corporation Road
Birkenhead
Merseyside, L41 1HB

27 October 1997

W & J KERN (PROPERTIES) LIMITED**PROFIT AND LOSS ACCOUNT****for the year ended 31 December 1996**

	Note	1996 £	1995 £
Turnover		5,326	-
Net operating expenses			
Administrative expenses		(1,205)	(908)
Operating profit/(loss)	2	4,121	(908)
Interest payable	3	(828)	-
Profit/(loss) on ordinary activities before taxation		3,293	(908)
Taxation		-	-
Profit/(loss) on ordinary activities after taxation retained for the year		3,293	(908)

Movements in reserves are shown in note

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 profit/(loss) for the year.

W & J KERN (PROPERTIES) LIMITED

BALANCE SHEET

at 31 December 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	4	152,671	152,671
Current assets			
Debtors	5	295,541	288,817
Cash at bank and in hand		107	-
		<u>295,648</u>	<u>288,817</u>
Creditors: amounts falling due within one year	6	<u>(20,782)</u>	<u>(41,182)</u>
Net current assets		<u>274,866</u>	<u>247,635</u>
Total assets less current liabilities		<u>427,537</u>	<u>400,306</u>
Creditors: amounts falling due after more than one year	7	<u>(30,438)</u>	<u>(6,500)</u>
		<u>397,099</u>	<u>393,806</u>
Capital and reserves			
Called up share capital	8	43,000	43,000
Profit and loss account		354,099	350,806
Total shareholders' funds	9	<u>397,099</u>	<u>393,806</u>

The directors consider that for the year ended 31 December 1996 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities 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 the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 6 to 8 were approved by the board of directors on 27 October 1997 and signed on its behalf by:


J.T. Kern
Director

W & J KERN (PROPERTIES) LIMITED**NOTES ON FINANCIAL STATEMENTS****31 December 1996****1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

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.

2 Operating profit/(loss)

	1996 £	1995 £
Operating profit/(loss) is stated after charging		
Auditors' Remuneration	360	375

3 Interest payable

	1996 £	1995 £
Interest payable	828	-

W & J KERN (PROPERTIES) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1996

4 Tangible fixed assets

	Land and Buildings £
Cost	
1 January 1996 and 31 December 1996	152,671
Net book amount	
31 December 1996	152,671
1 January 1996	152,671

5 Debtors

	1996 £	1995 £
Amounts falling due after more than one year		
Balance due by holding company	295,541	288,817
	<u>295,541</u>	<u>288,817</u>

6 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank overdrafts	-	25,783
Bank loan account	5,904	-
Other creditors	14,878	15,399
	<u>20,782</u>	<u>41,182</u>

7 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Deferred Tax	6,500	6,500
Bank loan account	23,938	-
	<u>30,438</u>	<u>6,500</u>

W & J KERN (PROPERTIES) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1996

8 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>43,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>

9 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit/(loss) for the financial year representing a Net (Subtraction from)/addition to shareholders' funds	3,293	(908)
Opening shareholders' funds	<u>393,806</u>	<u>394,714</u>
Closing shareholders' funds	<u>397,099</u>	<u>393,806</u>