

CANYNGE ESTATES LIMITED

Company No. 1591152

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

Directors and their interests

The directors throughout the period were the following, who have the undermentioned interests in the shares of the company:

	1996	1995
A Whicheloe	90	90
N Whicheloe	-	-
J Thomas	10	10

Principal activity

The company acts as an investing undertaking, and did not trade itself during the year.

Results


The trading profit for the year was £175,000, subject to taxation of £35,000.

The directors have proposed a dividend of £1,600 (1995 - £1,200) net per ordinary share.

The profit after tax and dividend was £108,000 and has been carried forward as unappropriated profits which now stand at £378,000.

Auditors

A resolution to reappoint Hacker Young as auditors will be put to the members at the Annual General Meeting.

.....  DIRECTOR
A WHICHELOE

..... 20 Sept '97 DATE



CANYNGE ESTATES LIMITED

STATEMENT OF 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 for that period.

In preparing these 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.

CANYNGE ESTATES LIMITED

Company No. 1591152

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
CANYNGE ESTATES LIMITED

We have audited the financial statements on pages 4 to 9, which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 2 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

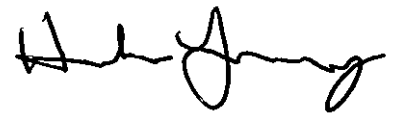
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 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 as at 31st December 1996 and of its results for the year then ended and have been properly prepared in accordance with Companies Act 1985.

3 & 5 St Pauls Road
Clifton
Bristol BS8 1LX
23rd October 1997




HACKER YOUNG
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

CANYNGE ESTATES LIMITED

Company No. 1591152

BALANCE SHEET AS AT 31ST DECEMBER 1996

	NOTE	£	1996 £	1995 £
FIXED ASSETS				
Investments	2		50	<u>50</u>
CURRENT ASSETS				
Debtors	3	410,100		300,100
CREDITORS				
Amounts falling due within one year	4	<u>32,050</u>		<u>30,050</u>
NET CURRENT ASSETS			<u>378,050</u>	<u>270,050</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>378,100</u>	<u>270,100</u>
CAPITAL AND RESERVES				
Called up share capital	5		100	100
Profit and loss account			<u>378,000</u>	<u>270,000</u>
SHAREHOLDERS' FUNDS ATTRIBUTABLE TO EQUITY INTERESTS	6		<u>378,100</u>	<u>270,100</u>

.......... DIRECTOR
A WHICHELOE

.....30 Sept '97..... DATE

CANYNGE ESTATES LIMITED

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

	NOTE	1996 £	1995 £
OPERATING PROFIT			
Income from interest in associated undertakings		<u>175,000</u>	<u>375,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		175,000	375,000
TAX ON PROFIT ON ORDINARY ACTIVITIES	7	<u>35,000</u>	<u>75,000</u>
PROFIT FOR THE FINANCIAL YEAR		140,000	300,000
Dividend	8	<u>32,000</u>	<u>30,000</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		108,000	270,000
ACCUMULATED LOSSES BROUGHT FORWARD		<u>270,000</u>	<u>-</u>
UNAPPROPRIATED PROFITS CARRIED FORWARD		<u>378,000</u>	<u>270,000</u>

All of the company's operations are classed as continuing. The company had no recognised gains or losses other than the profit for the year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1996

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the following accounting policies:

a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

b) Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard No. 1, whereby a cashflow statement need not be prepared by a small company, as defined in Companies Act 1985.

2. INVESTMENTS

	1996 £	1995 £
Shares in associated undertaking	<u>50</u>	<u>50</u>

The company has the following holdings:

	Percentage of issued share capital	
	Direct %	Indirect %
Canynge Bicknell Limited 50 ordinary shares of £1 each	50	-
Canynge Bicknell (Developments) Limited	-	50
Canynge Bicknell (Retail) Limited	-	50
Canynge Bicknell (Investments) Limited	-	50
Canynge Bicknell (Commercial) Limited	-	50
Canynge Bicknell (Properties) Limited	-	50
The Northern Arm Limited	-	25

The above companies are all registered in England.

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	1996 £	1995 £
Group's share in associated undertaking	<u>329,964</u>	<u>298,559</u>

The group's share in the associated undertaking has been calculate as follows:-

	1996 £	1995 £
Share of profit before taxation	247,747	563,277
Share of taxation	<u>76,342</u>	<u>127,591</u>
	171,405	435,686
Share of dividend	<u>(140,000)</u>	<u>(300,000)</u>
Share of net profit retained by associated undertaking	31,405	135,686
Share of net asset brought forward	<u>298,559</u>	<u>162,873</u>
Share of net assets carried forward	<u>329,964</u>	<u>298,559</u>

The group results of the associated undertaking for the year are summarised below:-

	1996 £	1995 £
Turnover	5,616,380	5,523,822
Profit before taxation	<u>495,494</u>	<u>1,126,553</u>

	1996 £	1995 £
Total fixed assets	4,416,344	3,388,944
Total assets less current liabilities	3,559,927	3,497,117
Total of capital and reserves	<u>659,927</u>	<u>597,117</u>

3. DEBTORS

	1996 £	1995 £
Loan from associated undertaking	100,000	-
Other debtors	310,000	300,000
Directors current account	<u>100</u>	<u>100</u>
	<u>410,100</u>	<u>300,100</u>

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4. CREDITORS

	1996 £	1995 £
Amounts falling due within one year:		
Amounts owed to associated undertakings	50	50
Dividend payable	<u>32,000</u>	<u>30,000</u>
	<u>32,050</u>	<u>30,050</u>

5. SHARE CAPITAL

	1996 £	1995 £
Authorised: 100 ordinary shares of £1 each.	<u>100</u>	<u>100</u>
Allotted, issued and fully paid: 100 ordinary shares of £1 each.	<u>100</u>	<u>100</u>

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	140,000	300,000
Dividend	<u>(32,000)</u>	<u>(30,000)</u>
Net addition in shareholders' funds	108,000	270,000
Opening shareholders' funds	<u>270,100</u>	<u>100</u>
Closing shareholders' funds	<u>378,100</u>	<u>270,100</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
Corporation tax at 25% based on profit for the year	-	-
Tax credit on income from associated undertaking	<u>35,000</u>	<u>75,000</u>

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8. DIVIDEND

	1996	1995
	£	£
Dividend of £1,600.00 (1995 - £1,200) net per ordinary share	<u>32,000</u>	<u>30,000</u>

The company received a dividend waiver certificate from director, A Whicheloe in respect of 80 shares.

9. RELATED PARTY TRANSACTIONS

The company has made a loan to the following companies and director.

	1996	1995
Canynge Securities Limited	310,000	300,000
Canynge Bicknell Limited	100,000	-
A Whicheloe	<u>100</u>	<u>100</u>

10. CONTROL

The company is controlled by A Whicheloe who owns 90% of the shares in the company.