

PARKSIDE PROPERTY INVESTMENTS LIMITEDDirectors

J.M. Slinger (Chairman)
J.R. Slinger

01995265

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended 31st December 1997.

REVIEW OF THE BUSINESS

The company continued to trade during the year as a property developer and as an investment company.

Activities have been and are expected to continue to be profitable.

RESULTS AND DIVIDENDS

The directors report a profit of £8,946 after taxation.

A dividend of £5,600 was paid during the year.

TANGIBLE FIXED ASSETS

Details of the tangible fixed assets are shown in the Notes on the Accounts.

DIRECTORS

The members of the Board from the beginning of the financial year to date and their interests (including family interests) in the company's shares have been as follows -

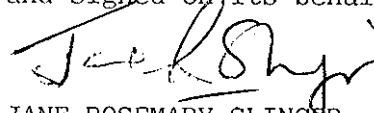
	At end of year	At beginning of year
J.M. Slinger	-	-
J.R. Slinger	100	100

J.M. Slinger will retire by rotation at the 1998 Annual General Meeting and, being eligible, he offers himself for re-election.

AUDITORS

A resolution to re-appoint the auditor, David C. Ranson, will be proposed at the Annual General Meeting.

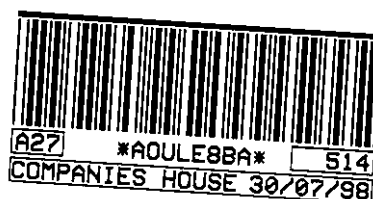
Approved by the Board on the
11th July 1998
and signed on its behalf by



JANE ROSEMARY SLINGER
Secretary

Registered Office

Westfield House
Carr Lane
Thorner
Leeds
West Yorkshire LS14 3HD



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 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 or other irregularities.

PARKSIDE PROPERTY INVESTMENTS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF
PARKSIDE PROPERTY INVESTMENTS LIMITED

I have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

DAVID C. RANSON

Registered Auditor
Chartered Accountant

2A Norfolk Hill
Grenoside
Sheffield S35 8QB

11th July 1998

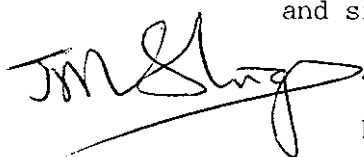


PARKSIDE PROPERTY INVESTMENTS LIMITED

Balance Sheet at 31st December 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible Assets	2		341,771		250,000
Investments	5		84,772		92,593
			<u>426,543</u>		<u>342,593</u>
CURRENT ASSETS					
Debtors	3		37,187		61,947
			<u>37,187</u>		<u>61,947</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4		165,730		109,886
NET CURRENT ASSETS/(LIABILITIES)			<u>(128,543)</u>		<u>(47,939)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			298,000		294,654
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred Taxation			-		-
			<u>-</u>		<u>-</u>
			<u>298,000</u>		<u>294,654</u>
CAPITAL AND RESERVES					
CALLED-UP SHARE CAPITAL	9		100		100
REVALUATION RESERVE			162,433		162,433
PROFIT AND LOSS ACCOUNT			135,467		132,121
			<u>298,000</u>		<u>294,654</u>

Approved by the Board on the
11th July 1998
and signed on its behalf by



JOHN MALCOLM SLINGER

Director

PARKSIDE PROPERTY INVESTMENTS LIMITED

Profit and Loss Account for the year ended 31st December 1997

	Note	1997 £	1996 £
TURNOVER	1	44,989	41,543
ADMINISTRATIVE EXPENSES		28,995	13,280
		<hr/>	<hr/>
INCOME FROM OTHER FIXED ASSET INVESTMENTS		15,994	28,263
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		923	916
		<hr/>	<hr/>
		4,325	4,123
		<hr/>	<hr/>
INTEREST PAYABLE AND SIMILAR CHARGES		21,242	33,302
		<hr/>	<hr/>
		9,480	5,646
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX	7	<hr/>	<hr/>
		11,762	27,656
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	8	<hr/>	<hr/>
		2,816	5,595
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAX		<hr/>	<hr/>
		8,946	22,061
DIVIDENDS		<hr/>	<hr/>
		5,600	5,600
TRANSFER TO/(FROM) RESERVES		<hr/>	<hr/>
		3,346	16,461

A Statement of Total Recognised Gains and Losses has not been provided as the company had no recognised gains or losses other than the profit for the period.

All of the company's operations are classified as continuing.

PARKSIDE PROPERTY INVESTMENTS LIMITED

Notes on the Accounts for the year ended 31st December 1997

1. ACCOUNTING POLICIES

- (a) The Accounts are prepared in accordance with the historical cost convention, modified to include certain fixed assets at valuation.
- (b) Being small-sized as defined by section 247 of the Companies Act 1985, the company is exempted by FRS 1 from the requirement to include a cashflow statement in its financial statements.
- (c) Turnover
Turnover is the total amount of rents receivable.
- (d) Investment Property
Investment property is stated at a value, which in the opinion of the directors, approximates to open market value at the balance sheet date.
In accordance with SSAP 19, no depreciation is provided. This departure from the requirements of the Companies Act 1985, for all fixed assets to be depreciated, is, in the opinion of the directors, necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards. Note 2 gives details of how the financial statements would have been affected if the provisions of the Schedule 4 to the Act had been followed, investment property being depreciated over 50 years.
- (e) Taxation
Surplus Advance Corporation Tax which is expected to be recovered against the tax liability of the following period is treated as a current asset.
Deferred taxation is provided under the liability method at the small companies rate of corporation tax ruling at the balance sheet date.

2. TANGIBLE FIXED ASSETS

	Freehold Property £
Valuation	
Beginning of Year	250,000
Additions	91,771
End of Year	<u>341,771</u>

If depreciation had been provided in this and previous periods in order to comply with Companies Act 1985, on the basis described in Note 1(d), profit after tax would have been reduced by £5,258 (1996 £4,800).

3. CURRENT ASSETS

	£	1997	£	£	1996	£
Debtors						
Other Debtors	35,283			56,350		
Prepayments and Accrued Income	1,904			5,597		
		<u>37,187</u>			<u>61,947</u>	
		<u>37,187</u>			<u>61,947</u>	

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PARKSIDE PROPERTY INVESTMENTS LIMITED

Notes on the Accounts for the year ended 31st December 1997

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		£	£
Bank Loans and Overdrafts	6	149,631	94,032
Corporation Tax		2,816	5,595
Directors' Current Accounts		7,220	1,121
Accruals and Deferred Income		6,063	9,138
		<u>165,730</u>	<u>109,886</u>

5. INVESTMENTS HELD AS FIXED ASSETS

The Company's investments held as fixed assets include:

A holding of 19.2% of the ordinary share capital of Launchprior Limited, a company registered in England.

Further holdings are not significant.

6. BANK BORROWINGS

Yorkshire Bank plc has granted overdraft facilities to the company. Security includes fixed charges over the company's freehold investment properties, together with fixed and floating charges over the other assets of the company.

7. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	£	£
is after charging -		
Auditors' Fees and Expenses	250	225
Bank and Other Short-Term Interest	9,480	5,646
	<u>9,480</u>	<u>5,646</u>

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Corporation Tax at 21.75% (1996 24.25%)	<u>2,816</u>	<u>5,595</u>
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Notes on the Accounts for the year ended 31st December 19979. SHARE CAPITAL

	£	£
Authorised -		
Shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, Issued and Fully Paid -		
Shares of £1 each	100	100
	<u> </u>	<u> </u>

10. STATEMENT OF MOVEMENTS ON RESERVES

	Total	Revaluation tion Reserve	Profit & Loss Account
	£	£	£
At beginning of year	294,554	162,433	132,121
Retained Profit/(Loss) for the year	3,346	-	3,346
	<u> </u>	<u> </u>	<u> </u>
At end of year	297,900	162,433	135,467
	<u> </u>	<u> </u>	<u> </u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	£	£
Retained Profit/(Loss) for the year	3,346	16,461)
Revaluation Surplus for the year	-	10,000
Shareholders' Funds at beginning of year	294,654	268,193
	<u> </u>	<u> </u>
Shareholders' Funds at end of year	298,000	294,654
	<u> </u>	<u> </u>