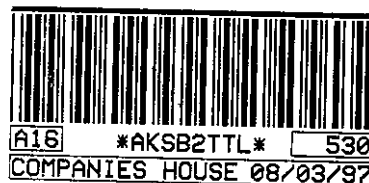


Rosemary Young Persons Charitable Housing Limited
(Limited by guarantee)

Reports and financial statements
for the year ended 30 September 1996

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Rosemary Young Persons Charitable Housing Limited ¹ **(Limited by guarantee)**

Directors, trustees and advisers

Directors and trustees

Rhys Derrick Chamberlain Walters
Professor Philip Love
Alan Waterworth
Raymond Vincent Maher

Secretary and registered office

R H Arden
Liverpool Cathedral
St James Mount
Liverpool
L1 7AZ

Registered Auditors

Coopers & Lybrand
Richmond House
1 Rumford Place
Liverpool
L3 9QS

Bankers

Barclays Bank plc
Liverpool City Business Centre
P O Box No. 107
4 Water Street
Liverpool
L69 2DU

Rosemary Young Persons Charitable Housing Limited ² **(Limited by guarantee)**

Directors' and trustees' report for the year ended 30 September 1996

The directors and trustees present their report and the audited financial statements for the year ended 30 September 1996.

Principal activities

The company's principal activity is the development of student accommodation for the University of Liverpool. The company is a registered charity.

Review of business and future developments

The company is providing student accommodation for the University of Liverpool under a finance lease. The directors and trustees are satisfied with the performance of the company for the year and with its year end position. They intend to consider opportunities as they arise to further promote its activity in the Merseyside area.

Transfers to reserves

The loss for the year of £4,458 (1995: £70 profit) will be set against reserves.

Directors and trustees

The directors and trustees who served during the year were:

Alan Waterworth
Rhys Derrick Chamberlain Walters
Professor Philip Love
Raymond Vincent Maher

Professor Philip Love is the Vice Chancellor of the University of Liverpool to whom the company provides student accommodation under a finance lease.

Statement of directors' and trustees' responsibilities

The directors and trustees are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period.

Rosemary Young Persons Charitable Housing Limited ³

(Limited by guarantee)

Statement of directors' and trustees' responsibilities (continued)

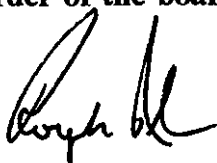
The directors and trustees confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 1996. The directors and trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors and trustees are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution to reappoint Coopers & Lybrand, the auditors, will be proposed at the Annual General Meeting.

By order of the board



Roger Arden
Secretary

18 February 1997

Report of the auditors to the members of Rosemary Young Persons Charitable Housing Limited

We have audited the financial statements on page 5 to 10.

Respective responsibilities of directors and trustees and auditors

As set out on page 2 the company's directors and trustees 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 and trustees 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 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 30 September 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors
Liverpool

28 February 1997

Rosemary Young Persons Charitable Housing Limited ⁵ (Limited by guarantee)

Statement of financial activities for the year ended 30 September 1996

	Notes	1996 £	1995 £
Income and expenditure			
Incoming resources			
Interest receivable	4	639,910	647,130
Total incoming resources		639,910	647,130
Resources expended			
Interest payable	5	639,026	645,643
Other expenditure - management and administration of charity		5,342	1,417
Total resources expended		644,368	647,060
Net (outgoing)/incoming resources for the year	6	(4,458)	70
Fund balances at 1 October		50,059	49,989
Fund balances at 30 September		45,601	50,059

All funds are expendable at the discretion of the directors and trustees in furtherance of the objectives of the charity and are, therefore, unrestricted.

All activities of the company are continuing.

The company has no recognised gains and losses other than the gains and losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

The notes in pages 7 and 10 form an integral part of these financial statements.

Rosemary Young Persons Charitable Housing Limited ⁶ (Limited by guarantee)

Balance sheet at 30 September 1996

	Notes	1996 £	1995 £
Fixed assets			
Investments	7	40,306	40,306
Current assets			
Debtors: amounts falling due after one year	8	5,722,654	5,822,896
Debtors: amounts falling due within one year	8	258,459	257,250
Cash at bank and in hand		11,758	41,072
		<u>5,992,871</u>	<u>6,121,218</u>
Creditors: amounts falling due within one year	9	258,860	282,505
Net current assets		<u>5,734,011</u>	<u>5,838,713</u>
Total assets less current liabilities		<u>5,774,317</u>	<u>5,879,019</u>
Creditors: amounts falling due after more than one year	10	5,728,716	5,828,960
Net assets		<u><u>45,601</u></u>	<u><u>50,059</u></u>
Funds			
Unrestricted funds		<u><u>45,601</u></u>	<u><u>50,059</u></u>

The notes on pages 7 to 10 form an integral part of these financial statements.

The financial statements on pages 5 to 10 were approved by the Board of Directors and Trustees on 18 February 1997 and signed on its behalf by:



Derrick Walters
Director and Trustee

Rosemary Young Persons Charitable Housing Limited ⁷ **(Limited by guarantee)**

Notes to the financial statements for the year ended 30 September 1996

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and with the Statement of Recommended Practice, Accounting by Charities ("SORP") which was published in October 1995. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Cash flow

The company is exempt from the requirements to include a cash flow statement as part of its financial statements on the basis that it is a small reporting entity.

Finance lease agreements

Finance lease agreements are accounted for on the basis of gross receivables less related unearned income and are included in debtors. The profit on finance agreements is recognised over the period in which receivables are due using the sum of the digits method after allowing for a proportion of initial costs.

Incoming resources

Income, which excludes value added tax, represents the invoiced value of services provided. Income consists entirely of sales made in the United Kingdom.

2 Directors' and trustees' emoluments

The directors and trustees received no emoluments during the year. There are no other employees.

3 Taxation

The company is a registered charity (number 1010396) and in the opinion of the directors and trustees, the exemptions from the charge to tax on income and capital gains of Section 505 ICTA 1988 and Section 256 TCGA 1992 are satisfied. Accordingly no liability to taxation arises.

Rosemary Young Persons Charitable Housing Limited ⁸ (Limited by guarantee)

4 Interest receivable

	1996 £	1995 £
Finance lease gross earnings	635,222	645,643
Other interest	1,213	419
Gross dividends receivable	3,475	1,068
	<u>639,910</u>	<u>647,130</u>

The finance lease instalments receivable during the year from which gross earnings are derived were £729,996 (1995: £737,017).

5 Interest payable

	1996 £	1995 £
Bank interest on loan repayable wholly or partly in more than 5 years	635,222	645,643
Other interest	3,804	-
	<u>639,026</u>	<u>645,643</u>

6 Net (outgoing)/incoming resources for the year

Net (outgoing)/incoming resources is stated after charging:

	1996 £	1995 £
Auditors' remuneration	<u>965</u>	<u>940</u>

7 Investments

	1996 £	1995 £
Listed investments at cost	<u>40,306</u>	<u>40,306</u>

At 30 September 1996, the market value of the above investments was £45,907 (1995: £42,808).

Rosemary Young Persons Charitable Housing Limited ⁹ (Limited by guarantee)

8 Debtors

	1996	1995
	£	£
Other debtors	158,426	162,475
Finance lease receivables	5,822,687	5,917,671
	<u>5,981,113</u>	<u>6,080,146</u>

Included in finance lease receivables is £5,722,654 (1995: £5,822,896) which falls due after more than one year. The cost of assets, net of grants receivable, acquired for the purpose of letting under finance leases in the year is £6,047,089 (1995: £6,047,089)

9 Creditors: amounts falling due within one year

	1996	1995
	£	£
Bank loan (see note 10)	100,033	94,775
Trade creditors	-	25,000
Accruals	158,827	162,730
	<u>258,860</u>	<u>282,505</u>

Rosemary Young Persons Charitable Housing Limited ¹⁰ (Limited by guarantee)

10 Creditors: amounts due after more than one year

	1996 £	1995 £
Bank loan (see below)	<u>5,728,716</u>	<u>5,828,960</u>

The company has entered into a loan agreement with Barclays Bank plc for up to £6,150,000. The loan is repayable over 24 years. The loan is secured by fixed and floating charges on the asset and the future income stream relating thereto. For 80% of the loan, interest from 1992 for a 10 year period was fixed at a rate of 11.56% and thereafter at approximately 1.5% above LIBOR. The balance of the loan bears interest at 1.5% above LIBOR.

	1996 £	1995 £
Bank loan repayable as follows:		
In one year or less	100,033	94,775
Between one and two years	105,974	100,033
Between two and five years	774,293	592,951
In five years or more	<u>4,848,449</u>	<u>5,135,976</u>
	<u>5,828,749</u>	<u>5,923,735</u>

11 Contingencies and commitments

There were no contingent liabilities or financial commitments at 30 September 1996 and at 30 September 1995.