

ASHFLAME PROPERTIES LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 1996

2869019



ASHFLAME PROPERTIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

The directors are required by UK company law to prepare accounts 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 of the company for that period.

The directors 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 accounts for year ended 31 December 1996. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF ASHFLAME PROPERTIES LIMITED

We have audited the accounts on pages 3 to 6.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

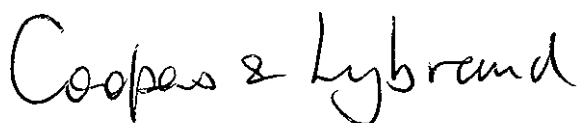
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the 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 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
Birmingham
16 May 1997

ASHFLAME PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 December 1996.

ACTIVITIES

The activities remain that of investing in rented property.

RESULTS

The results for the financial year are satisfactory as are future prospects.

The profit for the year after taxation was £5,630 (1995: £5,089) and this amount is added to reserves. The directors do not recommend the payment of a dividend.

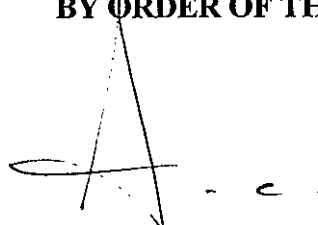
DIRECTORS

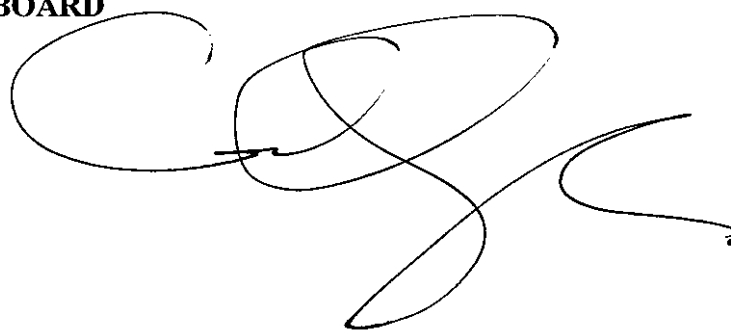
The members of the board and their unchanged interests in the share capital of the company are:

	Ordinary Shares
A C Gallagher Chairman	16,250
T J Gallagher Deputy Chairman	16,250
J P Gallagher B.Sc.	16,250

Mr J P Gallagher retires by rotation and, being eligible, offers himself for re-election.

BY ORDER OF THE BOARD


Chairman
Birmingham
16 May 1997



ASHFLAME PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996**


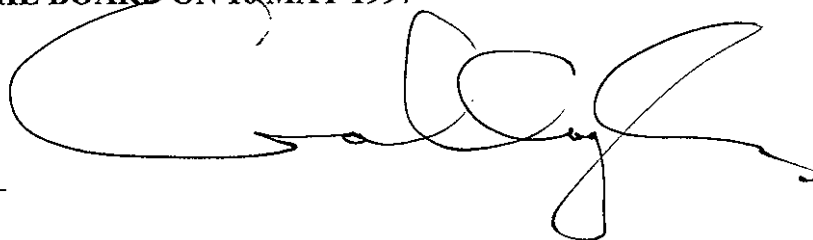
	Notes	1996 £	1995 £
TURNOVER		6,492	7,061
OPERATING EXPENSES	2	<u>750</u>	<u>662</u>
OPERATING PROFIT		5,742	6,399
INTEREST RECEIVED		<u>876</u>	<u>604</u>
PROFIT BEFORE TAX		6,618	7,003
TAX	3	<u>988</u>	<u>1,914</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		5,630	5,089
PROFIT AND LOSS ACCOUNT 31 DECEMBER 1995		<u>7,824</u>	<u>2,735</u>
PROFIT AND LOSS ACCOUNT 31 DECEMBER 1996		<u>13,454</u>	<u>7,824</u>

There have been no recognised gains or losses in 1996 or 1995 other than the profit for the year.

The profit based on historical cost is not materially different from the profit above.

ASHFLAME PROPERTIES LIMITED**BALANCE SHEET 31 DECEMBER 1996**

	Notes	1996 £	1995 £
TANGIBLE ASSETS			
Freehold investment properties		63,265	63,265
CURRENT ASSETS			
Debtors	4	658	212
Cash at bank		<u>17,469</u>	<u>12,127</u>
		18,127	12,339
CREDITORS			
Amounts falling due within one year	5	<u>2,938</u>	<u>2,780</u>
NET CURRENT ASSETS		<u>15,189</u>	<u>9,559</u>
NET ASSETS		<u>78,454</u>	<u>72,824</u>
CAPITAL AND RESERVES			
Called up share capital	6	65,000	65,000
Profit and loss account		<u>13,454</u>	<u>7,824</u>
EQUITY SHAREHOLDERS' FUNDS	7	<u>78,454</u>	<u>72,824</u>

APPROVED BY THE BOARD ON 16 MAY 1997
Chairman

ASHFLAME PROPERTIES LIMITED

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) ACCOUNTING BASIS

The accounts have been prepared on the historical cost basis of accounting and conform with applicable UK accounting standards. Turnover and operating profit are from continuing operations.

(b) TURNOVER

Turnover represents gross rental income.

(c) INVESTMENT PROPERTY

The investment property which is not depreciated, is valued by the Directors at its open market value.

2. OPERATING EXPENSES

	1996 £	1995 £
Materials and services	630	545
Auditors' remuneration	120	117
	<u>750</u>	<u>662</u>

3. TAX

	£	£
On the profit for the year		
Corporation tax at 24% (1995: 25%)	1,489	2,060
Prior year credit	(501)	(146)
	<u>988</u>	<u>1,914</u>

4. DEBTORS

	£	£
Due within one year:		
Trade debtors	585	151
Prepayments and accrued income	73	61
	<u>658</u>	<u>212</u>

ASHFLAME PROPERTIES LIMITED

NOTES ON THE ACCOUNTS

	1996	1995
	£	£
5. CREDITORS		
Bank overdraft	-	568
Trade creditors	1,449	152
Tax	1,489	2,060
	<u>2,938</u>	<u>2,780</u>

	£	£
6. SHARE CAPITAL		
Authorised, allotted, called up and fully paid Ordinary shares of £1 each	<u>65,000</u>	<u>65,000</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£	£
Opening shareholders' funds	72,824	67,735
Profit on ordinary activities after tax	<u>5,630</u>	<u>5,089</u>
Closing shareholders' funds	<u>78,454</u>	<u>72,824</u>