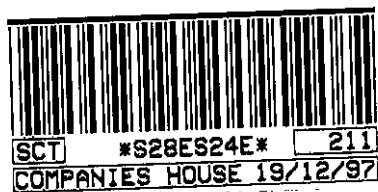


ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 1996 TO 30 SEPTEMBER 1997
FOR
CALEDONIAN RENTED HOMES LIMITED

12



CALEDONIAN RENTED HOMES LIMITED

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FOR THE PERIOD 1 JUNE 1996 TO 30 SEPTEMBER 1997**

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CALEDONIAN RENTED HOMES LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 1 JUNE 1996 TO 30 SEPTEMBER 1997**

DIRECTORS:

J G Wright
E McDaid
D S Robinson
L A Taylor

SECRETARY:

E McDaid

REGISTERED OFFICE:

Stanley House
69/71 Hamilton Road
Motherwell
ML1 3DG

REGISTERED NUMBER:

SC150648

ACCOUNTANT:

McDaid & Partners
Chartered Accountants
Stanley House
69/71 Hamilton Road
Motherwell
ML1 3DG

CALEDONIAN RENTED HOMES LIMITED

**ABBREVIATED BALANCE SHEET
30 SEPTEMBER 1997**

		30.9.97		31.5.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		3,362,347		1,833,430
CURRENT ASSETS:					
Debtors		64,464		2	
Cash at bank		92,364		313,652	
		<u>156,828</u>		<u>313,654</u>	
CREDITORS: Amounts falling due within one year	3	<u>645,621</u>		<u>941,515</u>	
NET CURRENT LIABILITIES:			<u>(488,793)</u>		<u>(627,861)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,873,554		1,205,569
CREDITORS: Amounts falling due after more than one year	3		<u>2,418,923</u>		<u>1,205,878</u>
			<u>£454,631</u>		<u>£(309)</u>
CAPITAL AND RESERVES:					
Called up share capital	4		1,000		1,000
Revaluation reserve			461,647		-
Profit and loss account			(8,016)		(1,309)
Shareholders' funds			<u>£454,631</u>		<u>£(309)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ending 30 September 1997.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

CALEDONIAN RENTED HOMES LIMITED

ABBREVIATED BALANCE SHEET

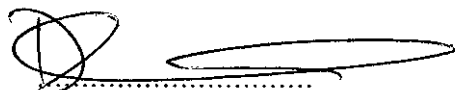
30 SEPTEMBER 1997

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

ON BEHALF OF THE BOARD:



.....
E McDaid - DIRECTOR



.....
D S Robinson - DIRECTOR

Approved by the Board on 9/12/97

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 1996 TO 30 SEPTEMBER 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property under construction	- not provided
Investment properties	- not provided

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

Property under construction

Properties under construction are included at the lower of cost and net realisable value.

Cost includes the purchase price; interest on borrowings specifically relating to each development; and any incidental expenses.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

A property ceases to be treated as being in the course of construction when it is practically complete and fully available for letting. At such time it will be re-classified as an investment property.

Investment Properties

In accordance with Statement of Standard Accounting Practice No.19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties.

This is a departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated.

Such properties are not held for consumption but for investment and the directors consider that to depreciate them would not give a true and fair view.

CALEDONIAN RENTED HOMES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JUNE 1996 TO 30 SEPTEMBER 1997

1. ACCOUNTING POLICIES - continued

Deferred Grants

The company is in receipt of property investment grants which are included in deferred grants in the balance sheet. These grants are repayable upon sale of the properties to which they relate within six years of the final instalment of the grant. For each year the company retains ownership within the six years a proportion is released to the revaluation reserve.

2. TANGIBLE FIXED ASSETS

	Property Under Construction £	Investment Properties £	Totals £
COST OR VALUATION:			
At 1 June 1996	1,833,430	-	1,833,430
Additions	1,204,937	-	1,204,937
Reclassification	(2,446,520)	2,446,520	-
Surplus on revaluation	-	323,980	323,980
At 30 September 1997	591,847	2,770,500	3,362,347
NET BOOK VALUE:			
At 30 September 1997	591,847	2,770,500	3,362,347
At 31 May 1996	1,833,430	-	1,833,430

Property under construction includes £18,331 of interest and finance costs capitalised.
Investment properties includes £102,598 of interest and finance costs capitalised.

3. CREDITORS

The following secured debts are included within creditors:

	30.09.97 £	31.05.96 £
Bank overdrafts	495,930	629,875
Bank loans	1,490,000	540,000
	1,985,930	1,169,875

Creditors include the following debts falling due in more than five years:

	30.09.97 £	31.05.96 £
Repayable otherwise than by instalments		
Bank loans	1,341,890	476,470

CALEDONIAN RENTED HOMES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 1996 TO 30 SEPTEMBER 1997

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.97 £	31.5.96 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

5. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £572485 in respect of property under construction.