

PRIDEGROVE LIMITED
DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
31 MARCH 1996



PRIDEGROVE LIMITED

Directors and advisers

Directors

M B Appleton

A C Appleton

Secretary

M B Appleton

Registered office

Applegate Barn

West Morton

Keighley

West Yorkshire

BD20 5UP

Company number

2228570

PRIDEGROVE LIMITED

Directors' report

The directors present their report together with the financial statements for the year ended 31 March 1996.

Principal activity and business review

The principal activity of the company for the year under review was that of a property holding company and there has been no change during the year.

On 23 December 1991 a Declaration of Trust was executed which confirmed that the freehold property included in the financial statements was held by Pridegrove Limited as trustee on behalf of M B Appleton and Mrs A C Appleton.

The company has not traded during the year and accordingly no profit and loss account has been prepared.

Dividends

The directors do not recommend the payment of a final dividend.

Directors and directors interests

The directors who held office during the year under review, and their interests in the share capital of the company, were as follows:

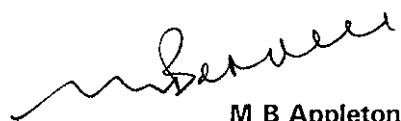
	<u>Ordinary shares of £1 each</u>	
	<u>Interest at end of year</u>	<u>Interest at start of year</u>
M B Appleton	50	50
A C Appleton	50	50

Auditors

Under the provisions of Section 252(2) of the Companies Act 1985 a special resolution has been passed resolving that the company shall not appoint auditors.

Applegate Barn
West Morton
Keighley
West Yorkshire
BD20 5UP
20 December 1996

By order of the board


M B Appleton
Director

PRIDEGROVE LIMITED

Statement of directors' responsibilities in respect of the preparation of the financial statements

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss of the company for the period to that date. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements comply with the above requirements and that the company has maintained proper accounting records which disclose with reasonable accuracy at any time the financial position of the company which enables them to ensure that the financial statements comply with the requirements of the Companies Act 1985.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



M B Appleton
Director

20 December 1996

PRIDEGROVE LIMITED

Balance sheet

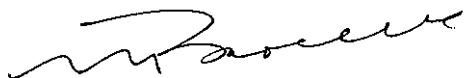
at 31 March 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
Fixed assets			
Tangible assets	1	110,112	110,112
Creditors: amounts falling due after more than one year	2	(110,012)	(110,012)
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	3	<u>100</u>	<u>100</u>

These financial statements were approved by the board of directors on 20 December 1996, who also confirm that the company has not traded during the year under review, and were signed on its behalf by:

The company was dormant throughout the financial year.

M B Appleton - director



PRIDEGROVE LIMITED

Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards supplemented by a revaluation of freehold property held for investment.

Deferred taxation

Deferred taxation is provided on the liability method to the extent that it is probable that a liability will crystallise in the foreseeable future.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Cash flow statement

As permitted by Financial Reporting Standard No.1 the company has not produced a cash flow statement on the grounds that it has satisfied the conditions exempting it as a small company.

Investment property

Freehold property comprises property held as a long term investment.

In accordance with Statement of Standard Accounting Practice No. 19:

- (i) freehold investment property is revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve unless the total of the investment revaluation reserve is insufficient to cover a deficit in which case the balance is charged to the profit and loss account.
- (ii) no depreciation or amortisation is provided in respect of freehold investment property.

This treatment, as regards the investment property, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, this property is not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

PRIDEGROVE LIMITED

Notes on the financial statements

	£
1. Tangible fixed assets	
Freehold property held for investment	
Cost or valuation	
At start and end of year	110,112

The directors consider the current market value of the investment property to be not materially different from its cost.

	<u>1996</u>	<u>1995</u>
	£	£
2. Creditors: amounts falling due after more than one year		
Directors' loans	110,012	110,012

The directors' loans are repayable on the sale of the freehold property and are interest free.

3. Called up share capital		
Authorised		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>