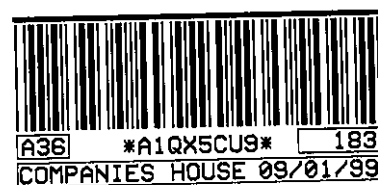


PRIDEGROVE LIMITED
DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
31 MARCH 1998



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 1998.

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 was dormant throughout 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

Euro

The directors have taken steps to ensure that the effect on the company of the introduction of the Euro will be minimised.

Applegate Barn
West Morton
Keighley
West Yorkshire
BD20 5UP
8 January 1999

By order of the board



M B Appleton
Director

PRIDEGROVE LIMITED

Balance sheet

at 31 March 1998

	<u>Note</u>	<u>1998</u>	<u>1997</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>

In the directors' opinion the company was entitled under section 249A(1) of the Companies Act 1985 to exemption from the audit of its financial statements for the year ended 31 March 1998. No notice has been deposited under section 249B(2).

The directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for 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 year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

These financial statements were approved by the board of directors on 8 January 1999, who also confirm that the company was dormant throughout the financial year, and were signed on its behalf by:



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.

1998

1997

£

£

2. Creditors: amounts falling due after more than one year

Directors' loans

110,012

110,012

3. Called up share capital

Authorised, allotted, called up and fully paid

100 ordinary shares of £1 each

100

100

4. Related party transactions

The company was, during the year and the previous year, under the control of M B Appleton and A C Appleton, who were interested in 100% of the company's issued share capital.

Information in relation to amounts due to directors during the year was as follows:

	Balance at start of year	Maximum liability during the year	Balance at end of year
	£	£	£
M B Appleton and A C Appleton	110,012	110,012	110,012

The above amounts are interest free and repayable on the sale of the freehold property.