

BRACKNELL BEECHES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

ROYCE PEELING GREEN
Chartered Accountants
Hilton Chambers
15 Hilton Street
Manchester
M1 1JL



AUDITORS' REPORT TO THE DIRECTORS OF BRACKNELL BEECHES LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the full financial statements of Bracknell Beeches Limited prepared under S226 of the Companies Act 1985 for the year ended 31st December 1994.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purposes of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1994 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 10th March 1995 we reported, as auditors of Bracknell Beeches Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1994 and our audit report was as follows:-

We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention as modified by the revaluation of freehold properties and the accounting policies set out on pages 6 and 7.

AUDITORS' REPORT TO THE DIRECTORS OF BRACKNELL BEECHES LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

Respective responsibilities of directors and auditors

As described on page 2, the company's directors 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 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 as at 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MANCHESTER

10TH MARCH 1995



ROYCE PEELING GREEN
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

BRACKNELL BEECHES LIMITED

ABBREVIATED BALANCE SHEET AS AT 31ST DECEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		£	£
<u>FIXED ASSETS</u>			
Investment properties	2	14,700,000	13,600,000
<u>CURRENT ASSETS</u>			
Debtors		10,135	4,960
Cash at bank and in hand		213,075	418,911
		<hr/>	<hr/>
		223,210	423,871
<u>CREDITORS : amounts falling due within one year</u>		(976,987)	(442,337)
		<hr/>	<hr/>
<u>NET CURRENT LIABILITIES</u>		(753,777)	(18,466)
		<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		13,946,223	13,581,534
<u>CREDITORS : amounts falling due after more than one year</u>	3	(25,029,399)	(25,492,829)
		<hr/>	<hr/>
<u>NET LIABILITIES</u>		£(11,083,176)	£(11,911,295)
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
<u>EQUITY INTERESTS</u>			
<u>Called up share capital</u>	4	2	2
<u>Profit and loss account</u>		(11,083,178)	(11,911,297)
		<hr/>	<hr/>
<u>TOTAL SHAREHOLDERS' FUNDS</u>		£(11,083,176)	£(11,911,295)
		<hr/>	<hr/>

The Directors have taken advantage of the exemptions for individual accounts conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 and have done so on the basis that the Company is entitled to the benefit of those exemptions as a small company.

APPROVED BY THE BOARD : 10TH MARCH 1995

 B. TOMLINSON

- DIRECTOR

The notes on pages 4 to 6 form part of these abbreviated financial statements

BRACKNELL BEECHES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1994

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold properties.

Compliance with Accounting Standards

The financial statements have been prepared in accordance with applicable Accounting Standards.

Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 1.

Turnover

Turnover represents gross rental and service income.

Investment Properties

In accordance with SSAP 19:

- (i) Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. In the case of a permanent diminution in value deficits are taken to the profit and loss account.
- (ii) No depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties with over 20 years to run.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted principle set out in SSAP 19. The Directors consider that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

BRACKNELL BEECHES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1994 (continued)

1. ACCOUNTING POLICIES (continued)

Investment Properties (continued)

If this departure from the Act had not been made, the loss for the financial year would have been increased by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

On disposal of an investment property the cumulative revaluation surpluses and deficits relating to the property are transferred from the revaluation reserve to the profit and loss account in the year of disposal.

2. INVESTMENT PROPERTIES

	<u>Freehold</u> £
Cost or valuation	
At 1st January 1994	13,600,000
Additions	-
Provision for diminution in value	<u>1,100,000</u>
At 31st December 1994	<u>14,700,000</u>
Comprises property:	
At professional valuation at 31st December 1994	<u>14,700,000</u>
The cost of revalued property is	<u>19,785,327</u>

The professional valuation was made on the basis of open market value by Weatherall Green and Smith, Chartered Surveyors, Norfolk House, 31 St. James's Square, London SW1Y 4JR.

BRACKNELL BEECHES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1994 (continued)

3. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Secured loans	21,059,291	21,522,721

The secured loan is secured by a mortgage debenture over the freehold property of the company, incorporating a fixed charge on book debts and a floating charge over the assets and undertakings of the company, and a charge over the rents and rental accounts.

4. <u>CALLED UP SHARE CAPITAL</u>	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
<u>Authorised</u>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<u>Allotted and fully paid</u>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

5. HOLDING COMPANY

The immediate holding company is Mitre Properties Limited and the ultimate holding company is Mitre Property Management Limited. Both companies are registered in England and Wales.