

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000



PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

COMPANY INFORMATION

Directors

A J Errington
Lady D K F Errington
A Errington
C C Bushell

Secretary

W Saville

Company number

537821

Registered office

32 Hamilton Square
Birkenhead
Merseyside
CH41 6AZ

Auditors

Saffery Champness
Courtyard House
Oakfield Grove
Clifton
Bristol
BS8 2AE

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 8

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and financial statements for the year ended 31 March 2000.

Principal activities

The principal activity of the company continued to be that of an investment company.

Directors

The following directors have held office since 1 April 1999:

A J Errington
Lady D K F Errington
A Errington
C C Bushell

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of 10p each	
	31 March 2000	1 April 1999
A J Errington	6,667	6,667
Lady D K F Errington	3,801	3,801
A Errington	2,225	2,225
C C Bushell	-	-

	2.5% preference shares of £ 1 each	
	31 March 2000	1 April 1999
A J Errington	6,667	6,667
Lady D K F Errington	6,657	6,657
A Errington	6,658	6,658
C C Bushell	-	-

Auditors

Saffery Champness were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



W Saville
Secretary
28 July 2000

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

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 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness

28 July 2000

Chartered Accountants
Registered Auditors

Courtyard House
Oakfield Grove
Clifton
Bristol
BS8 2AE

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000**

	Notes	2000 £	1999 £
Administrative expenses		(12)	(12)
Operating loss	2	<u>(12)</u>	<u>(12)</u>
Investment income	3	118,080	145,948
Profit on ordinary activities before taxation		<u>118,068</u>	<u>145,936</u>
Tax on profit on ordinary activities	4	-	(29,190)
Profit on ordinary activities after taxation		<u>118,068</u>	<u>116,746</u>
Dividends		(111,380)	(111,380)
Retained profit for the year	8	<u>6,688</u>	<u>5,366</u>

The notes on pages 6 to 8 form part of these financial statements.

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

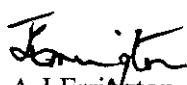
**BALANCE SHEET
AS AT 31 MARCH 2000**

	Notes	2000 £	£	1999 £	£
Fixed assets					
Investments	5		37,254		37,254
Current assets					
Cash at bank and in hand		37,426		30,738	
Creditors: amounts falling due within one year	6	(512)		(512)	
Net current assets			36,914		30,226
Total assets less current liabilities			74,168		67,480
Capital and reserves					
Called up share capital	7		22,000		22,000
Profit and loss account	8		52,168		45,480
Shareholders' funds			74,168		67,480

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The notes on pages 6 to 8 form part of these financial statements.

The financial statements were approved by the Board on 28 July 2000


A J Errington
Director


A Errington
Director

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Investments

Fixed asset investments are stated at cost and credit is taken for investment income as it becomes due and payable.

1.3 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating loss	2000	1999
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	12	12
	<u> </u>	<u> </u>
3 Investment income	2000	1999
	£	£
Income from shares in group undertakings	118,080	145,948
	<u> </u>	<u> </u>
4 Taxation	2000	1999
	£	£
U.K. current year taxation		
Tax credits on franked investment income	-	29,190
	<u> </u>	<u> </u>

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

5 Fixed asset investments

	Shares in subsidiaries £
Cost	
At 1 April 1999 & at 31 March 2000	<u>37,254</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Associated Property Owners Limited	England and Wales	Ordinary	99
Birkton Estates Limited *	England and Wales	Ordinary	98
Harley Houses Limited	England and Wales	Ordinary	100
Liverpool and Cheshire House Investment Limited	England and Wales	Ordinary	80
British Standard Association Limited *	England and Wales	Ordinary	99
Estates Development (Liverpool) Limited *	England and Wales	Ordinary	90
J R Grant Properties Limited *	England and Wales	Ordinary	99
Palmeira Properties Limited *	England and Wales	Ordinary	99
Second Avenue Properties Limited *	England and Wales	Ordinary	99

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Associated Property Owners Limited	£3,867,431	£327,458
Birkton Estates Limited *	£640,949	£13,865
Harley Houses Limited	£128,633	£2,667
Liverpool and Cheshire House Investment Limited	£52,762	£464
British Standard Association Limited *	£240,525	(£97)
Estates Development (Liverpool) Limited *	£106,286	(£97)
J R Grant Properties Limited *	£496,508	£860
Palmeira Properties Limited *	£486,762	£59,666
Second Avenue Properties Limited *	£54,462	£64

* These companies are not wholly owned by Property Holdings (Lancashire and Wirral) Limited but are owned by its subsidiary Associated Property Owners Limited. They are included in the above list according to the control exercised over them by Property Holdings (Lancashire and Wirral) Limited.

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000**

6	Creditors: amounts falling due within one year	2000	1999
		£	£
	Other creditors	512	512

7	Share capital	2000	1999
		£	£
	Authorised		
	20,000 Ordinary shares of 10p each	2,000	2,000
	20,000 2.5% preference shares of £ 1 each	20,000	20,000
		22,000	22,000

	Allotted, called up and fully paid		
	20,000 Ordinary shares of 10p each	2,000	2,000
	20,000 2.5% preference shares of £ 1 each	20,000	20,000
		22,000	22,000

8 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 April 1999	45,480
Retained profit for the year	6,688
Balance at 31 March 2000	52,168

9 Contingent liabilities

The company has entered into an unlimited cross guarantee with Barclays Bank plc in favour of certain related undertakings. At 31st March 2000 the maximum potential liability was £1,005,000 (1999 : £1,045,684)

**AUDITORS' REPORT TO THE DIRECTORS OF PROPERTY HOLDINGS
(LANCASHIRE & WIRRAL) LIMITED PURSUANT TO SECTION 248(3) OF THE
COMPANIES ACT 1985**

We have examined the financial statements of the company and each of its subsidiaries for the year ended 31 March 2000.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.



Saffery Champness

Chartered Accountants
Registered Auditors

28 July 2000

Courtyard House
Oakfield Grove
Clifton
Bristol
BS8 2AE