

Company Registration No. 537821 (England and Wales)

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001



PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

COMPANY INFORMATION

Directors	A J Errington Lady D K F Errington A Errington C C Bushell W Saville
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

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PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report and financial statements for the year ended 31 March 2001.

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.

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 2000:

A J Errington
Lady D K F Errington
A Errington
C C Bushell
W Saville (Appointed 28 March 2001)

Directors' interests

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

	Ordinary shares of 10p each	
	31 March 2001	1 April 2000
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	-	-
W Saville	-	-

	2.5% preference shares of £ 1 each	
	31 March 2001	1 April 2000
A J Errington	6,667	6,667
Lady D K F Errington	6,657	6,657
A Errington	6,658	6,658

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2001**

C C Bushell
W Saville

- -
- -

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.

This report has 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



W Saville
Director
11 June 2001

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

INDEPENDENT AUDITORS' REPORT

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

We have audited the financial statements of Property Holdings (Lancashire & Wirral) Limited on pages 4 to 8. These financial statements 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 therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page one the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Saffery Champness

Chartered Accountants
Registered Auditors

3 Oct 2001

Sally Clark
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Courtyard House
Oakfield Grove
Clifton
Bristol
BS8 2AE

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001**

	Notes	2001 £	2000 £
Administrative expenses		(12)	(12)
Operating loss	2	<u>(12)</u>	<u>(12)</u>
Investment income	3	1,777,286	118,080
Profit on ordinary activities before taxation		<u>1,777,274</u>	<u>118,068</u>
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation		<u>1,777,274</u>	<u>118,068</u>
Dividends		(114,140)	(111,380)
Retained profit for the year	9	<u><u>1,663,134</u></u>	<u><u>6,688</u></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 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Investments	5		37,254		37,254
Current assets					
Debtors	6	1,655,136		-	
Cash at bank and in hand		45,425		37,426	
		<u>1,700,561</u>		<u>37,426</u>	
Creditors: amounts falling due within one year	7	<u>(512)</u>		<u>(512)</u>	
Net current assets			1,700,049		36,914
Total assets less current liabilities			<u>1,737,303</u>		<u>74,168</u>
Capital and reserves					
Called up share capital	8		22,000		22,000
Profit and loss account	9		1,715,303		52,168
Shareholders' funds			<u>1,737,303</u>		<u>74,168</u>

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 11 June 2001



Director



Director

Miss A EMMETT

Miss AJ EMMETT

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

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

2001

2000

£

£

Operating loss is stated after charging:

Auditors' remuneration

12

12

3 Investment income

2001

2000

£

£

Income from shares in group undertakings

1,777,286

118,080

4 Taxation

The company has no profits chargeable to corporation tax.

PROPERTY HOLDINGS (LANCASHIRE & WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

5 Fixed asset investments

	Shares in subsidiaries £
Cost	
At 1 April 2000 & at 31 March 2001	<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			
Palmeira Properties Limited *	England and Wales	Ordinary	99
Second Avenue Properties Limited *	England and Wales	Ordinary	99
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

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
Palmeira Properties Limited *	£100	(£4,772,878)
Second Avenue Properties Limited *	£500	(£53,962)
Associated Property Owners Limited	£17,701,226	£8,317,736
Birkton Estates Limited *	£9,238	(£3,411,188)
Harley Houses Limited	£2,000	(£272,882)
Liverpool and Cheshire House Investment Limited	£1,000	(£294,689)
British Standard Association Limited *	£1,000	(£294,689)
Estates Development (Liverpool) Limited *	£1,000	(£105,287)
J R Grant Properties Limited *	£49,653	(£595,810)

* 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 2001**

6 Debtors	2001	2000
	£	£
Dividends receivable	1,655,136	-
	<u> </u>	<u> </u>
7 Creditors: amounts falling due within one year	2001	2000
	£	£
Other creditors	512	512
	<u> </u>	<u> </u>
8 Share capital	2001	2000
	£	£
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
	<u> </u>	<u> </u>
	22,000	22,000
	<u> </u>	<u> </u>
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
	<u> </u>	<u> </u>
	22,000	22,000
	<u> </u>	<u> </u>
9 Statement of movements on profit and loss account		
		Profit and loss account £
Balance at 1 April 2000		52,169
Retained profit for the year		1,663,134
		<u> </u>
Balance at 31 March 2001		1,715,303
		<u> </u>
10 Contingent liabilities		

The company has entered into an unlimited cross guarantee with Barclays Bank plc in favour of certain related undertakings. At 31st March 2001 the maximum potential liability was £1,030,914 (2000 : £1,005,000).