



3040310

Company No: ~~30430310~~

REPORT OF THE AUDITOR TO THE DIRECTORS OF

BRIGHSTONE GRANGE LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8

TO THE COMPANIES ACT 1985

I have examined the Abbreviated Accounts on pages 1 to 3 together with the full financial statements of Brighstone Grange Limited under Section 226 of the Companies Act for the period ended 31 March 1996.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing Abbreviated Accounts in accordance with Schedule 8 to the Companies Act 1985. It is my responsibility to form an independent opinion as to the Company's entitlement to the exemptions claimed in the Directors' statement on page 1 and whether the Abbreviated Accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

I have carried out the procedures I 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 my work for the purpose of this report does not include examining or dealing with events after the date of my report on the full financial statements.

OPINION

In my opinion the Company is entitled under Section 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 period ended 31 March 1996 and the Abbreviated Accounts on pages 1 to 3 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 27 August 1996 I reported as Auditor of Brighstone Grange Limited to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the period ended 31 March 1996 and my Audit Report was as follows:-

"I have audited the accounts on pages 4 to 7 which have been prepared under the accounting policies set out on page 6".

REPORT OF THE AUDITOR TO THE DIRECTORS OF

BRIGHSTONE GRANGE LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8

TO THE COMPANIES ACT 1985

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in their report the Company's Directors are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion based on my audit on those statements and to report my opinion to the members of the company.

BASIS OF OPINION

I have conducted my 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 judgments 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.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1996 and its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies".



RICHARD PENNACK
Certified Accountant
Registered Auditor

231 Abbey Lane
Leicester

BRIGHSTONE GRANGE LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 1996

ASSETS EMPLOYED

TANGIBLE FIXED ASSETS

Fixtures & Equipment - Cost	131,569
- Depreciation	9,712

121,857

INTANGIBLE FIXED ASSET

Goodwill	29,500

151,357

CURRENT ASSETS

Stock	2,911
Trade Debtors	9,388
Prepayments	20,196
Cash in Hand	59

32,554

LIABILITIES FALLING DUE

WITHIN ONE YEAR	84,480

NET CURRENT LIABILITIES

-51,926

TOTAL ASSETS LESS

CURRENT LIABILITIES	99,431
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LIABILITIES FALLING DUE AFTER

MORE THAN 1 YEAR (Note 2)	103,810

£-4,379

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FINANCED BY:

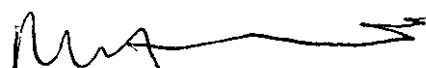
SHAREHOLDERS FUNDS

Share Capital (Note 3)	2
Profit and Loss Account	-4,381

£-4,379

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In preparing these Abbreviated Financial Statements we have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 made under Sections 246 and 247 of the Companies Act 1985 on the grounds that the Company is entitled to those exemptions as a Small Company.



M A BENNETT
Director

The financial statements were approved by the Board of Directors on 20 August 1996.

The notes on pages 2 to 3 form part of these Abbreviated Financial Statements.

BRIGHSTONE GRANGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 1996

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with those items which are considered material in relation to the Company's financial statements.

Group Financial Statements

Group financial statements have not been prepared as the activities of the Company are so dissimilar from those of other Companies within the group that consolidated financial statements would be misleading.

Going Concern

The financial statements have been prepared on a going concern basis which assumes that finance will continue to be made available to enable the Company to continue its operations. The Company has a written undertaking from its Holding Company to support its liabilities.

Turnover

Turnover represents net amounts invoiced to customers in respect of services supplied in the year.

Depreciation

Depreciation is calculated at the following annual rate so as to write off the cost of fixed assets over their anticipated useful lives using the reducing balance method:

Fixtures, fittings and equipment - 10%

Fixed Assets

Fixed assets are stated at cost less depreciation.

Stock

Stock is valued at the lower of cost and net realisable value.

Cash Flow Statement

The Company is a small company within the meaning of Financial Reporting Standard No 1 and is not therefore required to present a cash flow statement.

BRIGHSTONE GRANGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE PERIOD 31 MARCH 1996 (Continued)

2. LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

These are bank loans repayable over ten years from 1995 and 1996, the interest rate is 2% over the Bank's base rate and the security for the loan is provided by the parent company.

The Bank of Scotland also hold a Debenture over the whole assets and undertakings of the Company. During the period the Company entered into bank cross guarantees with other companies in the group.

3. SHARE CAPITAL

	1996
Authorised:-	
10,000 shares of £1.00 each	£10,000
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Share capital allotted, called up and fully paid:	
2 shares of £1.00 each	£ 2
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4. HOLDING COMPANY

Brighstone Grange Limited is a wholly owned subsidiary of XYZ Limited a company registered in Guernsey. The ultimate parent company is JGT Investments Ltd a company registered in Guernsey.