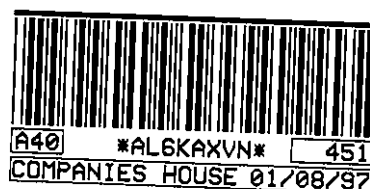


PAUL HOMES LIMITED

**ABBREVIATED STATUTORY ACCOUNTS
FOR THE YEAR ENDED 13 MARCH 1997**

Company No. 01799922 (England and Wales)



PAUL HOMES LIMITED

Abbreviated Balance Sheet as at 13 March 1997

	Notes	1997 £	1996 £
Fixed assets	2		
Tangible assets		<u>163565</u>	<u>164172</u>
Current assets			
Stocks and work-in-progress		134000	107000
Debtors		<u>1006</u>	<u>5118</u>
		135006	112118
Creditors: amounts falling due within one year	3	<u>(219554)</u>	<u>(203829)</u>
Net current liabilities		<u>(84548)</u>	<u>(91711)</u>
Total assets less current liabilities		79017	72461
Provisions for liabilities for charges		<u>(223)</u>	<u>(223)</u>
Net assets		<u>78794</u>	<u>72238</u>
Capital and reserves			
Called up share capital	4	2	2
Profit and loss account		<u>78792</u>	<u>72236</u>
Shareholders' funds		<u>78794</u>	<u>72238</u>

The notes on pages 3 to 4 form part of these financial statements.

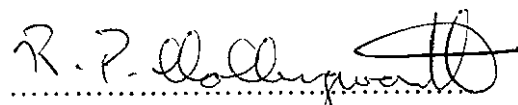
PAUL HOMES LIMITED

**Abbreviated Balance Sheet as at 13 March 1997
(Continued 2)**

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the Company's share capital have not issued a notice requiring an audit under Section 249(B) of the Companies Act 1985. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of
the board of directors


.....
R.P. HOLLINGWORTH

Director

Approved by the board on 7 July 1997

PAUL HOMES LIMITED

Notes to the accounts for the year ended 13 March 1997

1 Accounting policies

1.1 Basis of preparation of accounts

The accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	25% reducing balance basis
Plant and Machinery	25% reducing balance basis

1.4 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowances for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

PAUL HOMES LIMITED

Notes to the abbreviated accounts for the year ended 13 March 1997

2 Fixed assets

Tangible Fixed Assets £

Cost

At 13 March 1996

181027

At 13 March 1997

181027

Depreciation

At 13 March 1996

16885

Charge for year

607

At 13 March 1997

17492

Net book values

At 13 March 1997

163565

At 13 March 1996

164172

3 Creditors

Creditors include the following:

1997

1996

£

£

Secured creditors

133086

85449

4 Called Up Share Capital

Authorised

Ordinary Shares of £1 each

100

100

Allotted, called up and fully paid

Ordinary Shares of £1 each

2

2

PAUL HOMES LIMITED

The following reproduces the text of the report for the purposes of Section 249A(2) of the Companies Act 1985 in respect of the Company's annual accounts, from which the abbreviated accounts (set out on pages 1 to 4) have been prepared.

Accountants' report to the shareholders on the unaudited accounts of Paul Homes Limited

We report on the accounts for the year ended 13 March 1997 set out on pages 3 to 8.

Respective responsibilities of directors and reporting accountants

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records.
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

N.R. BARTON²

N.R. Barton & Co.,
Chartered Accountants and
Registered Auditors,
19/20 Bridgeman Terrace,
Wigan, WN1 1TD.

7 July, 1997