

BERRINGTON HOUSE LIMITED

Abbreviated accounts

30 March 1996

**Deloitte & Touche
Abbey House
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Manchester
M60 2AT**





Chartered Accountants

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AUDITORS' REPORT TO BERRINGTON HOUSE 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 financial statements of Berrington House Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 March 1996.

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 purpose 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 30 March 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

On 19 November 1996 we reported, as auditors of Berrington House Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 March 1996 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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.

**AUDITORS' REPORT TO BERRINGTON HOUSE LIMITED PURSUANT TO PARAGRAPH
24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (continued)****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 30 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

The statement of directors' responsibilities referred to in our audit report on the full financial statements, reproduced above, was as follows:

"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 as at the end of the financial year 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. 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."

Chartered Accountants and
Registered Auditors

3 DECEMBER 1996

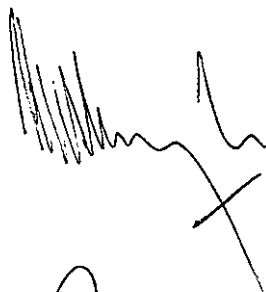
BERRINGTON HOUSE LIMITED

BALANCE SHEET 30 March 1996

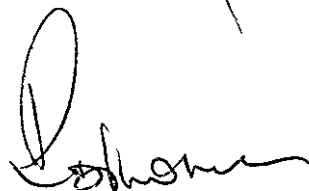
	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	2	614,309	614,309
CURRENT ASSETS			
Debtors	3	9,306	23,102
Cash at bank and in hand		26,776	41,203
		36,082	64,305
CREDITORS: amounts falling due within one year		43,940	78,043
NET CURRENT LIABILITIES		(7,858)	(13,738)
TOTAL ASSETS LESS CURRENT LIABILITIES		606,451	600,571
CREDITORS: amounts falling due after more than one year	4	(256,977)	(282,822)
		349,474	317,749
CAPITAL AND RESERVES			
Called up share capital	6	60,000	60,000
Revaluation reserve account		45,592	45,592
Profit and loss account		243,882	212,157
TOTAL EQUITY SHAREHOLDERS' FUNDS		349,474	317,749

Advantage is taken of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors, the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247 of the Companies Act 1985.

Signed on behalf of the Board of Directors



22/11/96



NOTES TO THE BALANCE SHEET

30 March 1996

1 ACCOUNTING POLICIES

Compliance with SSAP 19 "Accounting for investment properties" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given below. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings.

Rental income

Rental income represents rents receivable in the year.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting 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.

If this departure from the Act had not been made, the profit for the financial year would have been reduced 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.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability will crystallise in the future.

2 TANGIBLE FIXED ASSETS

Valuation

At 31 March 1995 and 30 March 1996

£

614,309

NOTES TO THE BALANCE SHEET

30 March 1996

2 TANGIBLE FIXED ASSETS (continued)

The company's freehold land and building investment properties at 30 March 1996 were revalued by the directors on the basis of open market value with existing use. The directors are of the opinion that there are no factors to change these estimates of the property valuations.

The historical cost of the properties is £513,717 (1995 - £513,717)

3 DEBTORS

ACT recoverable includes amounts due after more than one year of nil (1995 - £7,250).

4 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1996 £	1995 £
Creditors, amounts falling due after more than one year includes:		
Directors' loans	81,977	107,822

5 BORROWINGS

	1996 £	1995 £
Analysis of loan repayments:		
Other loans including finance leases and hire purchase contracts net of future finance charges		
Between two and five years	175,000	175,000

6 CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised		
60,000 ordinary shares of £1.00 each	60,000	60,000
Called up, allotted and fully paid		
60,000 ordinary shares of £1.00 each	60,000	60,000

NOTES TO THE BALANCE SHEET
30 March 1996

7 DEFERRED TAXATION

The directors are of the opinion that, following the provisions included in the Finance Act 1989, chargeable gains will not arise in the sale of the company's properties at the valuations included in the accounts.