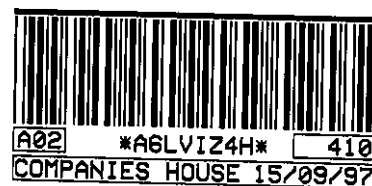


Co Hse

REGISTERED NUMBER: 2971349 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 30 September 1996
for
B.P.S. DEVELOPMENTS LIMITED**



**Index to the Financial Statements
for the Year Ended 30 September 1996**

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5
Trading and Profit and Loss Account	9

B.P.S. DEVELOPMENTS LIMITED

**Company Information
for the Year Ended 30 September 1996**

DIRECTORS: E Mahoney
D Mahoney

SECRETARY: E.Mahoney

REGISTERED OFFICE: 1 Derby Buildings
Wavertree Road
Liverpool
Merseyside
L7 3ES

REGISTERED NUMBER: 2971349 (England and Wales)

ACCOUNTANTS: Kinsella Clarke
Chartered Accountants
61 Stanley Road
Bootle
Merseyside
L20 7BZ

B.P.S. DEVELOPMENTS LIMITED

**Report of the Directors
for the Year Ended 30 September 1996**

The directors present their report with the financial statements of the company for the year ended 30 September 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Property Development.

DIRECTORS

The directors during the year under review were:

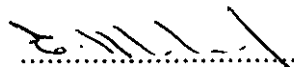
E Mahoney
D Mahoney

The beneficial interests of the directors holding office on 30 September 1996 in the issued share capital of the company were as follows:

	30.9.96	1.10.95
Ordinary £1 shares		
E Mahoney	-	-
D Mahoney	2	2

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:


.....
- DIRECTOR

Dated:

10/9/97

B.P.S. DEVELOPMENTS LIMITED

Profit and Loss Account
for the Year Ended 30 September 1996

		Year Ended 30.9.96	Period 1.11.94 to 30.9.95
	Notes	£	£
TURNOVER	2	1,859	-
Cost of sales		1,617	-
GROSS PROFIT		242	-
Administrative expenses		135,012	20,670
		(134,770)	(20,670)
Other operating income		107,329	1,674
OPERATING LOSS	3	(27,441)	(18,996)
Interest payable and similar charges		14,808	7,404
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(42,249)	(26,400)
Tax on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(42,249)	(26,400)
Deficit brought forward		(26,400)	-
DEFICIT CARRIED FORWARD		£(68,649)	£(26,400)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous period.

The notes form part of these financial statements

B.P.S. DEVELOPMENTS LIMITED**Balance Sheet
30 September 1996**

		30.9.96		30.9.95	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		617,041		229,925
CURRENT ASSETS:					
Debtors	6	40,376		-	
CREDITORS: Amounts falling due within one year	7	<u>339,840</u>		<u>168,882</u>	
NET CURRENT LIABILITIES:			<u>(299,464)</u>		<u>(168,882)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			317,577		61,043
CREDITORS: Amounts falling due after more than one year	8		<u>386,224</u>		<u>87,441</u>
			<u>£(68,647)</u>		<u>£(26,398)</u>
CAPITAL AND RESERVES:					
Called up share capital	11		2		2
Profit and loss account			<u>(68,649)</u>		<u>(26,400)</u>
Shareholders' funds	12		<u>£(68,647)</u>		<u>£(26,398)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 30 September 1996.

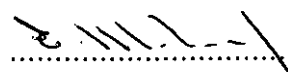
No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have 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:


.....
- DIRECTOR

Approved by the Board on 10.9.97

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 September 1996**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- not provided
Plant and machinery etc	- 15% on reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

3. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 30.9.96	Period 1.11.94 to 30.9.95
	£	£
Depreciation - owned assets	7,867	67
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

4. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the year ended 30 September 1996 nor for the period ended 30 September 1995.

B.P.S. DEVELOPMENTS LIMITED

**Notes to the Financial Statements
for the Year Ended 30 September 1996**

5. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST:			
At 1 October 1995	229,544	448	229,992
Additions	343,581	51,402	394,983
	<u>573,125</u>	<u>51,850</u>	<u>624,975</u>
At 30 September 1996			
DEPRECIATION:			
At 1 October 1995	-	67	67
Charge for year	-	7,867	7,867
	<u>-</u>	<u>7,934</u>	<u>7,934</u>
At 30 September 1996			
NET BOOK VALUE:			
At 30 September 1996	573,125	43,916	617,041
	<u>573,125</u>	<u>43,916</u>	<u>617,041</u>
At 30 September 1995	229,544	381	229,925
	<u>229,544</u>	<u>381</u>	<u>229,925</u>

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.9.96 £	30.9.95 £
V.A.T.	8,540	-
Trade Debtors	11,836	-
Other debtors	20,000	-
	<u>40,376</u>	<u>-</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.9.96 £	30.9.95 £
Bank loans and overdrafts (see note 9)	51,217	22,922
Trade Creditors	62,800	11,692
Directors current accounts	121,570	131,094
Inter-Company Loans	2,477	2,475
Deferred income	33,860	-
Accrued expenses	1,250	699
Deferred government grants	66,666	-
	<u>339,840</u>	<u>168,882</u>

B.P.S. DEVELOPMENTS LIMITED

**Notes to the Financial Statements
for the Year Ended 30 September 1996**

**8. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.9.96	30.9.95
	£	£
Bank loans (see note 9)		
Deferred government grants	319,557	87,441
	66,667	-
	<u>386,224</u>	<u>87,441</u>

9. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	30.9.96	30.9.95
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts		
Bank loans	5,384	16,195
	45,833	6,727
	<u>51,217</u>	<u>22,922</u>
Amounts falling due between one and two years:		
Bank loans		
	60,010	13,453
	<u>60,010</u>	<u>13,453</u>
Amounts falling due between two and five years:		
Bank loans		
	150,000	40,359
	<u>150,000</u>	<u>40,359</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans		
	109,547	33,629
	<u>109,547</u>	<u>33,629</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.96	30.9.95
	£	£
Bank loans		
	365,390	94,168
	<u>365,390</u>	<u>94,168</u>

Mortgage debenture incorporating a fixed and floating charge over the assets of the company. Joint and several guarantee limited to £50,000 from the directors of the company. First legal mortgage on the upper floors of 16-20 Colquitt Street, Liverpool.

B.P.S. DEVELOPMENTS LIMITED

**Notes to the Financial Statements
for the Year Ended 30 September 1996**

11. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	30.9.96	30.9.95
		value:	£	£
1,000	Ordinary	£1	1,000	1,000
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	30.9.96	30.9.95
		value:	£	£
2	Ordinary	£1	2	2
			<u> </u>	<u> </u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.9.96	30.9.95
Loss for the financial year	£	£
Shares Issued	(42,249)	(26,400)
	-	2
NET REDUCTION OF SHAREHOLDERS' FUNDS	<u> </u>	<u> </u>
Opening shareholders' funds	(42,249)	(26,398)
	(26,398)	-
CLOSING SHAREHOLDERS' FUNDS	<u> </u>	<u> </u>
	(68,647)	(26,398)
	<u> </u>	<u> </u>
Equity interests	(68,647)	(26,398)
	<u> </u>	<u> </u>