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REGISTERED NUMBER: 2971349 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 30 September 1997
for
B.P.S. DEVELOPMENTS LIMITED**



B.P.S. DEVELOPMENTS LIMITED

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for the Year Ended 30 September 1997**

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B.P.S. DEVELOPMENTS LIMITED

**Company Information
for the Year Ended 30 September 1997**

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 1997**

The directors present their report with the financial statements of the company for the year ended 30 September 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Property Development, Investment and Rental.

DIRECTORS

The directors during the year under review were:

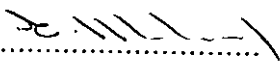
E Mahoney
D Mahoney

The beneficial interests of the directors holding office on 30 September 1997 in the issued share capital of the company were as follows:

	30.9.97	1.10.96
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: 27.11.98

B.P.S. DEVELOPMENTS LIMITED**Profit and Loss Account
for the Year Ended 30 September 1997**

		30.9.97	30.9.96
	Notes	£	£
TURNOVER	2	208,428	42,521
Cost of sales		-	1,617
GROSS PROFIT		208,428	40,904
Administrative expenses		99,708	135,012
		108,720	(94,108)
Other operating income		66,667	66,667
OPERATING PROFIT/(LOSS)	3	175,387	(27,441)
Interest payable and similar charges		36,668	14,808
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		138,719	(42,249)
Tax on profit/(loss) on ordinary activities	4	29,243	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		109,476	(42,249)
Deficit brought forward		(68,649)	(26,400)
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD		£40,827	£(68,649)

The notes form part of these financial statements

B.P.S. DEVELOPMENTS LIMITED

Balance Sheet 30 September 1997

		30.9.97		30.9.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		726,781		617,041
CURRENT ASSETS:					
Debtors	6	69,146		40,376	
Cash at bank and in hand		34,380		-	
		103,526		40,376	
CREDITORS: Amounts falling due within one year	7	372,646		339,840	
NET CURRENT LIABILITIES:			(269,120)		(299,464)
TOTAL ASSETS LESS CURRENT LIABILITIES:			457,661		317,577
CREDITORS: Amounts falling due after more than one year	8		416,832		386,224
			£40,829		£(68,647)
CAPITAL AND RESERVES:					
Called up share capital	10		2		2
Profit and loss account			40,827		(68,649)
Shareholders' funds			£40,829		£(68,647)

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 30 September 1997.

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.

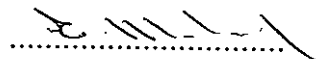
The notes form part of these financial statements

B.P.S. DEVELOPMENTS LIMITED

**Balance Sheet
30 September 1997**

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.

ON BEHALF OF THE BOARD:


.....
- DIRECTOR

Approved by the Board on 27.11.98

The notes form part of these financial statements

B.P.S. DEVELOPMENTS LIMITED

Notes to the Financial Statements for the Year Ended 30 September 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of services, 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 profit (1996 - loss) before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT/(LOSS)

The operating profit (1996 - operating loss) is stated after charging/(crediting):

	30.9.97	30.9.96
	£	£
Depreciation - owned assets	9,631	7,867
Profit on disposal of fixed assets	(4,598)	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	5,500	-
	<u> </u>	<u> </u>

4. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.97	30.9.96
	£	£
UK Corporation Tax	29,243	-
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 21% (1996 - not applicable).

A liability for additional Corporation Tax may arise due to an ongoing enquiry by the Inland Revenue. The amount of any such liability is, as yet, unquantifiable.

B.P.S. DEVELOPMENTS LIMITED**Notes to the Financial Statements
for the Year Ended 30 September 1997****5. TANGIBLE FIXED ASSETS**

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST:			
At 1 October 1996	573,125	51,850	624,975
Additions	106,760	15,722	122,482
Disposals	(3,111)	-	(3,111)
At 30 September 1997	676,774	67,572	744,346
DEPRECIATION:			
At 1 October 1996	-	7,934	7,934
Charge for year	-	9,631	9,631
At 30 September 1997	-	17,565	17,565
NET BOOK VALUE:			
At 30 September 1997	676,774	50,007	726,781
At 30 September 1996	573,125	43,916	617,041

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

	30.9.97 £	30.9.96 £
V.A.T.	-	8,540
Trade Debtors	796	11,836
Other debtors	-	20,000
Inter company	68,350	-
	69,146	40,376

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

	30.9.97 £	30.9.96 £
Bank loans and overdrafts	59,651	51,217
Trade Creditors	24,395	62,800
Directors current accounts	114,572	121,570
Inter-Company Loans	7,899	2,477
V.A.T.	1,005	-
Social security & other taxes	1,035	-
Wages	94	-
Deferred income	64,368	33,860
Taxation	29,243	-
Accrued expenses	3,718	1,250
Deferred government grants	66,666	66,666
	372,646	339,840

B.P.S. DEVELOPMENTS LIMITED**Notes to the Financial Statements
for the Year Ended 30 September 1997****8. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.9.97	30.9.96
	£	£
Bank loans	416,832	319,557
Deferred government grants	-	66,667
	<u>416,832</u>	<u>386,224</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans	<u>118,775</u>	<u>109,547</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.97	30.9.96
	£	£
Bank loans	<u>476,483</u>	<u>365,390</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. Charge over the Largo Bistro 20 Colquitt Street Liverpool.

10. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	30.9.97	30.9.96
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.97	30.9.96
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>