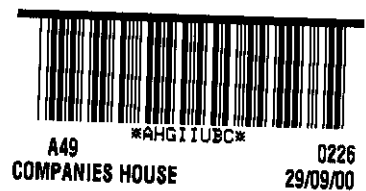


**Report of the Directors and  
Financial Statements for the Year Ended 30 September 1999  
for  
B.P.S. DEVELOPMENTS LIMITED**



**Contents of the Financial Statements  
for the Year Ended 30 September 1999**

|                                          | <b>Page</b> |
|------------------------------------------|-------------|
| <b>Company Information</b>               | <b>1</b>    |
| <b>Report of the Directors</b>           | <b>2</b>    |
| <b><i>Profit and Loss Account</i></b>    | <b>3</b>    |
| <b>Balance Sheet</b>                     | <b>4</b>    |
| <b>Notes to the Financial Statements</b> | <b>5</b>    |
| <b><i>Profit and Loss Account</i></b>    | <b>8</b>    |

**Company Information  
for the Year Ended 30 September 1999**

**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

**Report of the Directors  
for the Year Ended 30 September 1999**

The directors present their report with the financial statements of the company for the year ended 30 September 1999.

**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:

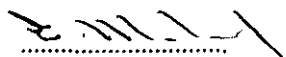
E Mahoney  
D Mahoney

The beneficial interests of the directors holding office on 30 September 1999 in the issued share capital of the company were as follows:

|                           | 30.9.99 | 1.10.98 |
|---------------------------|---------|---------|
| <b>Ordinary £1 shares</b> |         |         |
| 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: 25.9.2000

**Profit and Loss Account  
for the Year Ended 30 September 1999**

|                                                      |       | 30.9.99                | 30.9.98               |
|------------------------------------------------------|-------|------------------------|-----------------------|
|                                                      | Notes | £                      | £                     |
| <b>TURNOVER</b>                                      |       | 262,891                | 199,383               |
| <b>GROSS PROFIT</b>                                  |       | <u>262,891</u>         | <u>199,383</u>        |
| Administrative expenses                              |       | <u>92,956</u>          | <u>150,875</u>        |
|                                                      |       | 169,935                | 48,508                |
| Other operating income                               |       | <u>249</u>             | <u>66,666</u>         |
| <b>OPERATING PROFIT</b>                              | 2     | 170,184                | 115,174               |
| Interest payable and similar charges                 |       | <u>49,257</u>          | <u>44,217</u>         |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | 120,927                | 70,957                |
| Tax on profit on ordinary activities                 | 3     | <u>25,149</u>          | <u>14,839</u>         |
| <b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>  |       | 95,778                 | 56,118                |
| Retained profit brought forward                      |       | <u>96,945</u>          | <u>40,827</u>         |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |       | <u><u>£192,723</u></u> | <u><u>£96,945</u></u> |

The notes form part of these financial statements

**Balance Sheet**  
**30 September 1999**

|                                                                |       | 30.9.99 |           | 30.9.98 |           |
|----------------------------------------------------------------|-------|---------|-----------|---------|-----------|
|                                                                | Notes | £       | £         | £       | £         |
| <b>FIXED ASSETS:</b>                                           |       |         |           |         |           |
| Tangible assets                                                | 4     |         | 968,723   |         | 986,053   |
| <b>CURRENT ASSETS:</b>                                         |       |         |           |         |           |
| Debtors                                                        | 5     | 7,181   |           | 50,108  |           |
| Cash at bank and in hand                                       |       | 15,553  |           | 32,847  |           |
|                                                                |       | 22,734  |           | 82,955  |           |
| <b>CREDITORS: Amounts falling due within one year</b>          | 6     | 414,332 |           | 452,481 |           |
| <b>NET CURRENT LIABILITIES:</b>                                |       |         | (391,598) |         | (369,526) |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>                  |       |         | 577,125   |         | 616,527   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 7     |         | 384,400   |         | 519,580   |
|                                                                |       |         | £192,725  |         | £96,947   |
| <b>CAPITAL AND RESERVES:</b>                                   |       |         |           |         |           |
| Called up share capital                                        | 9     |         | 2         |         | 2         |
| Profit and loss account                                        |       |         | 192,723   |         | 96,945    |
| <b>SHAREHOLDERS' FUNDS:</b>                                    |       |         | £192,725  |         | £96,947   |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 30 September 1999.

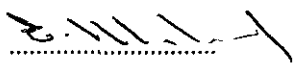
No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) 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 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

**ON BEHALF OF THE BOARD:**

  
- DIRECTOR

Approved by the Board on 25.9.2000

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 30 September 1999**

**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 (effective March 2000).

**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. OPERATING PROFIT**

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

|                                              | 30.9.99         | 30.9.98      |
|----------------------------------------------|-----------------|--------------|
|                                              | £               | £            |
| Depreciation - owned assets                  | 11,821          | 13,755       |
| Profit on disposal of fixed assets           | <u>(20,358)</u> | <u>(167)</u> |
| Directors' emoluments and other benefits etc | <u>6,600</u>    | <u>6,400</u> |

**3. TAXATION**

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

|                    | 30.9.99       | 30.9.98       |
|--------------------|---------------|---------------|
|                    | £             | £             |
| UK corporation tax | <u>25,149</u> | <u>14,839</u> |

UK corporation tax has been charged at 20% (1998 - 21%).

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,

**Notes to the Financial Statements  
for the Year Ended 30 September 1999**

**4. TANGIBLE FIXED ASSETS**

|                         | Land and<br>buildings | Plant and<br>machinery<br>etc | Totals           |
|-------------------------|-----------------------|-------------------------------|------------------|
|                         | £                     | £                             | £                |
| <b>COST:</b>            |                       |                               |                  |
| At 1 October 1998       | 920,669               | 95,096                        | 1,015,765        |
| Additions               | 28,200                | 4,710                         | 32,910           |
| Disposals               | (38,000)              | (1,000)                       | (39,000)         |
|                         | <u>910,869</u>        | <u>98,806</u>                 | <u>1,009,675</u> |
| <b>DEPRECIATION:</b>    |                       |                               |                  |
| At 1 October 1998       | -                     | 29,709                        | 29,709           |
| Charge for year         | -                     | 11,821                        | 11,821           |
| Eliminated on disposals | -                     | (578)                         | (578)            |
|                         | <u>-</u>              | <u>40,952</u>                 | <u>40,952</u>    |
| <b>NET BOOK VALUE:</b>  |                       |                               |                  |
| At 30 September 1999    | <u>910,869</u>        | <u>57,854</u>                 | <u>968,723</u>   |
| At 30 September 1998    | <u>920,669</u>        | <u>65,384</u>                 | <u>986,053</u>   |

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

|               | 30.9.99<br>£ | 30.9.98<br>£  |
|---------------|--------------|---------------|
| V.A.T.        | -            | 18,118        |
| Trade Debtors | 496          | 300           |
| Other debtors | 408          | -             |
| Inter company | 6,277        | 31,690        |
|               | <u>7,181</u> | <u>50,108</u> |

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

|                               | 30.9.99<br>£   | 30.9.98<br>£   |
|-------------------------------|----------------|----------------|
| Bank loans and overdrafts     | 128,476        | 101,375        |
| Trade Creditors               | 3,312          | 62,694         |
| Directors current accounts    | 153,895        | 153,990        |
| Inter-Company Loans           | 15,811         | 8,704          |
| V.A.T.                        | 261            | -              |
| Social security & other taxes | 1,137          | 4,328          |
| Wages                         | -              | 620            |
| Deferred income               | 71,496         | 73,004         |
| Taxation                      | 38,475         | 44,082         |
| Accrued expenses              | 1,469          | 3,684          |
|                               | <u>414,332</u> | <u>452,481</u> |

**Notes to the Financial Statements  
for the Year Ended 30 September 1999**

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

|            | 30.9.99        | 30.9.98        |
|------------|----------------|----------------|
|            | £              | £              |
| Bank loans | <u>384,400</u> | <u>519,580</u> |

Amounts falling due in more than five years:

|                          |               |               |
|--------------------------|---------------|---------------|
| Repayable by instalments |               |               |
| Bank loans               | <u>22,258</u> | <u>37,397</u> |

**8. SECURED DEBTS**

The following secured debts are included within creditors:

|            | 30.9.99        | 30.9.98        |
|------------|----------------|----------------|
|            | £              | £              |
| Bank loans | <u>512,876</u> | <u>620,955</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.

**9. CALLED UP SHARE CAPITAL**

Authorised:

| Number: | Class:   | Nominal<br>value: | 30.9.99      | 30.9.98      |
|---------|----------|-------------------|--------------|--------------|
|         |          | £1                | £            | £            |
| 1,000   | Ordinary |                   | <u>1,000</u> | <u>1,000</u> |

Allotted, issued and fully paid:

| Number: | Class:   | Nominal<br>value: | 30.9.99  | 30.9.98  |
|---------|----------|-------------------|----------|----------|
|         |          | £1                | £        | £        |
| 2       | Ordinary |                   | <u>2</u> | <u>2</u> |