

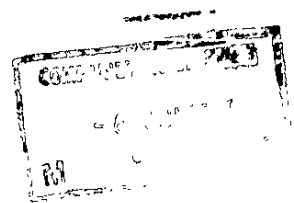
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BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30TH JUNE, 1986



BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

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BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

NOTICE OF MEETING

Notice is hereby given that the ninety-ninth Annual General Meeting of Shareholders will be held at the Executive Suite (St. Andrew's Street Entrance) on Wednesday, 1st July, 1987 at 3.0 p.m.

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 30th June, 1986.
2. To re-elect Directors.
3. To appoint Messrs. Walter J. Edwards & Company as Auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business.

SPECIAL BUSINESS

To consider and, if thought fit, pass the undermentioned Resolution as an Ordinary Resolution:-

ORDINARY RESOLUTION

1. That the nominal capital of the Company be increased to £770,000 by the creation of 540,000 Ordinary Shares of 50p each to rank pari passu in all respects with the existing Ordinary Shares of the Company.

To consider and, if thought fit, pass the undermentioned Resolutions as Special Resolutions:-

SPECIAL RESOLUTIONS

That the Articles of Association of the Company be amended as follows:-

1. By deleting Article 4 (a) and substituting therefor:-
"At the date of the adoption of this article the Capital of the Company is £770,000 divided into 1,500,000 Ordinary Shares of 50p each and 40,000 4.2 per cent (formerly 6 per cent) Redeemable Cumulative Preference Shares of 50p each (hereinafter referred to as "the Cumulative Preference Shares")."
2. By deleting in its entirety Article 5 and substituting therefor:-

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SHEFFIELD CITY FOOTBALL CLUB P.L.C.

- "5(A) Subject to the Statutes and Article 6 and to any resolution of the Company in general meeting, all unissued shares of the Company shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons, on such terms and at such times as they may think fit".
- "5(B) The Directors are authorised for the purposes of Section 80 of the Companies Act 1985 to allot (in addition to allotments in pursuance of any employees' share scheme) any shares of the Company, and rights to subscribe for or convert any security into shares of the Company, up to an aggregate nominal value of £770,000 Share Capital. The authority shall expire on 28th June, 1992 but may from time to time be revoked, varied or renewed (subject to the Statutes) by ordinary resolution of the Company. The Directors may make any offer or agreement during the continuance of this authority (as originally granted or from time to time renewed) which would or might require shares to be allotted after its expiry.
- "5(C) The Directors are at any time while they are authorised to allot ordinary shares under Section 80 of the Companies Act 1985 hereby empowered to allot or grant for cash ordinary shares or rights to subscribe for or convert any securities into ordinary shares up to £750,000 nominal ordinary share capital to such persons and on such terms as the Directors think fit and as if the said Section 89 (1) did not apply to any such allotment or grant; the power conferred by this paragraph 5 (C) (b) shall expire on 28th June, 1992 but the Directors may make any offer or agreement during the continuance of this power (as originally granted or as from time to time renewed) which would or might require ordinary shares to be allotted after its expiry.

The powers conferred by this paragraph 5(c) may from time to time be revoked, varied or renewed by special resolution of the Company.

3. By deleting in its entirety Article 10 and substituting therefor:-

"Unless and until otherwise directed by the Company in a general meeting the directors shall not be less than three or more than 12 in number.

By Order of the Board

H.J. WESTMANCOAT.
Secretary.

14th May, 1987.

NOTE:

Any member entitled to attend and vote may appoint a proxy to attend and vote instead of him. A proxy need not also be a member. A form of proxy is enclosed with this report.

Shareholders are requested to produce this Report when entering the Meeting.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

DIRECTORS AND OFFICERS

Vice-President

Dr. D. Ellis

Directors

K.E. Wheldon (Chairman)
T.W.J. Edmonds (Vice-Chairman)
J.F. Wiseman

Secretary

H.J. Westmancoat

Manager

G. Pandrey

Registered Office

St. Andrew's Ground,
Birmingham B9 4NH.

Auditors

Pembridge & Company,
Certified Accountants,
20 Birmingham Road,
Walsall. WS1 2LT.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements for the year ended 30th June, 1985.

Results and Review of the Business:

The principal activity of the Company continues to be that of a professional football club. Full details of income and expenditure for the year are shown on Pages 7 and 8 of the accounts. The Directors are unable to recommend the payment of a dividend. The worsening financial state of the Company reached a climax in December, 1985 precipitating a change in the control and management of the Company.

Immediate and drastic action was taken to stem the mounting losses but the effect of the Company's financial problems had already taken its toll on the playing side with the consequence that the Club was relegated from the First Division of the Football League at the end of the 1985/86 season.

The measures taken to reduce expenditure and promote the commercial activities, coupled with net transfer fees receivable and an injection of further Share Capital are confidently anticipated to achieve a positive net asset position in the current year.

Falling interest rates announced recently have helped to reduce the considerable burden borne on the Company's heavy borrowings but the reduction of the Company's Overdraft will continue to be given high priority along with every effort on the playing side to return to the First Division as soon as possible.

The Directors take this opportunity to express their thanks to the players, staff and spectators for their loyal support and look forward to happier times and increased support in the future.

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BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

DIRECTORS' REPORT (CONT'D)

Directors:

The Directors in office during the year and their respective shareholdings in the Company were as follows:-

	<u>Number of Shares held at:-</u>			
	<u>30th June, 1986</u>		<u>30th June, 1985</u>	
	<u>Ordinary</u>	<u>Preference</u>	<u>Ordinary</u>	<u>Preference</u>
C.K. Coombs (resigned 16.12.85)	-	-	431,800	-
J.F. Wiseman	25,210	5,000	25,210	5,000
N.B.A. Bosworth	21,185	2,500	21,185	2,500
H.A. Parkes	10,000	-	10,000	-
D. Mortimer (resigned 10.12.85)	-	-	-	-
K.E. Wheldon (appointed 16.12.85)	215,900	-	-	-
R.A. Homden (appointed 16.12.85)	215,900	-	-	-
T.W. J. Edmonds (appointed 6.6.86)	-	-	-	-

Messrs. K.E. Wheldon and T.W.J. Edmonds retire and, being eligible, offer themselves for re-election.

N.B.A. Bosworth resigned on 17th September, 1986, H.A. Parkes resigned on 2nd October, 1986 and R.A. Homden resigned on 18th August, 1986.

Fixed Assets:

Changes in tangible fixed assets are set out in Note 8 on Page 13 of the accounts.

Auditors:

A resolution to appoint Messrs. Walter J. Edwards & Company as Auditors will be proposed at the Annual General Meeting, the practice of the retiring Auditors (Messrs. Pembridge & Company) having recently been acquired by them.

By Order of the Board

H.J. WESTMANCOAT
Secretary.

14th May, 1987.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE, 1986

	<u>Note</u>	<u>1986</u>	<u>1985</u>
Income (page 8)		873,679	1,006,799
Expenditure (page 8)		<u>(1,156,097)</u>	<u>(1,406,495)</u>
<u>Operating Loss before Interest and Transfer Fees</u>		<u>(282,418)</u>	<u>(399,696)</u>
Interest Receivable	3	-	44
Transfer Fees Receivable		143,000	919,304
Transfer Fees Payable	5	<u>(30,750)</u>	<u>(558,340)</u>
		<u>(170,168)</u>	<u>(38,688)</u>
Interest Payable	4	<u>(87,399)</u>	<u>(132,610)</u>
<u>Loss on Ordinary Activities</u>		<u>(257,567)</u>	<u>(171,298)</u>

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

PROFIT AND LOSS ACCOUNT DETAILS


FOR THE YEAR ENDED 30TH JUNE, 1986

	<u>1986</u>		<u>1985</u>	
	£	£	£	£
<u>INCOME:-</u>				
<u>Gate Receipts:</u>				
League Matches (Home)	650,878		631,587	
Cup and Other Matches	35,566		109,238	
	686,444		740,825	
Football League, F.A. and Football League Cup Pools less Levies	55,742		18,673	
		742,186		759,498
<u>Commercial Activities:</u>				
Profit on Programmes	13,688		13,105	
Lotteries	12,646		13,053	
Advertising, Sponsorship and Promotions	68,049		116,958	
Broadcasting and Television Fees	12,663		30,825	
Catering	10,426		16,733	
Sundry Income	14,021		37,075	
Prizes, Promotion, etc.	-		19,552	
		131,493		247,301
		873,679		1,006,799
<u>EXPENDITURE:-</u>				
Wages and Salaries (Players & Staff) and signing and leaving payments	820,662		1,010,828	
Players' Equipment, Training and Medical Expenses	16,676		19,057	
Hotel and Travelling Expenses	58,299		81,850	
Gatemen, Police, Referees and Linesmen	62,247		61,127	
Rent, Rates, Electricity and Insurances	79,199		69,611	
Ground and Property Maintenance	25,854		43,366	
General Office Expenses	28,300		43,321	
Promotion Expenses	5,117		8,612	
Miscellaneous Expenses	19,679		21,577	
Bank and Professional Charges	18,391		26,398	
Audit Fee	2,500		2,500	
Depreciation	16,157		17,620	
Loss on Disposal of Fixed Assets	3,016		628	
		1,156,097		1,406,495
<u>OPERATING LOSS BEFORE INTEREST AND TRANSFER FEES</u>		(282,418)		(399,696)

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

BALANCE SHEET AT 30TH JUNE, 1986

	<u>Nota</u>	<u>1986</u>		<u>1985</u>	
		£	£	£	£
<u>FIXED ASSETS:-</u>					
Tangible Assets	8		1,519,887		1,415,671
<u>CURRENT ASSETS:-</u>					
Stocks	9	1,500		12,708	
Debtors	10	117,817		195,559	
Cash at Bank and in Hand		<u>8,771</u>		<u>1,354</u>	
		128,088		209,621	
<u>CREDITORS:-</u>					
Amounts falling due within one year	11	<u>1,968,549</u>		<u>2,033,777</u>	
<u>NET CURRENT LIABILITIES</u>			<u>(1,840,461)</u>		<u>(1,824,156)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>(320,574)</u>		<u>(408,485)</u>
<u>CREDITORS:-</u>					
Amounts falling due after more than one year	12		<u>(250,000)</u>		<u>(52,145)</u>
			<u>(570,574)</u>		<u>(460,630)</u>
<u>CAPITAL AND RESERVES:-</u>					
Issued Share Capital	13		331,873		316,863
Share Premium Account	14		207,096		192,096
Revaluation Reserve	15		393,936		393,936
Other Reserves	16		963,026		845,413
Profit and Loss Account	17		<u>(2,466,505)</u>		<u>(2,208,938)</u>
			<u>(570,574)</u>		<u>(460,630)</u>


 K.E. Wheldon)
 J.F. Wiseman) Directors

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30TH JUNE, 1986

	<u>1986</u>	<u>1985</u>
<u>SOURCE OF FUNDS:-</u>		
Loss for the year	(257,567)	(171,298)
Adjustment for items not involving movement of funds:-		
Depreciation	16,157	17,620
Loss on disposal of fixed assets	3,016	628
Proceeds from Shares issued during year	30,010	1,993
Proceeds from sale of fixed assets	<u>67,077</u>	<u>8,403</u>
	(141,307)	(142,654)
 <u>FUNDS FROM OTHER SOURCES:-</u>		
Grants Receivable	136,487	45,260
Loans (net increase in year)	<u>340,972</u>	<u>2,000</u>
	<u>336,152</u>	<u>(95,394)</u>
 <u>APPLICATION OF FUNDS:-</u>		
Additions to fixed assets	209,340	81,980
(Increase) Decrease in Creditors	307,991	(224,292)
Increase (Decrease) in Stock	(11,208)	1,880
Increase (Decrease) in Debtors	<u>(77,742)</u>	<u>94,165</u>
	<u>428,381</u>	<u>(46,267)</u>
 <u>NET OUTFLOW OF FUNDS</u>	<u>(92,229)</u>	<u>(49,127)</u>
 <u>MOVEMENT IN NET LIQUID FUNDS:-</u>		
Increase (Decrease) in Cash/Bank Balances	7,417	(112)
(Increase) in Bank Overdraft	<u>(99,646)</u>	<u>(49,015)</u>
	<u>(92,229)</u>	<u>(49,127)</u>

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

NOTES AND ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH JUNE, 1986

1. Deficiency of Assets:

Attention is drawn to the deficiency of assets at 30th June, 1986 amounting to £570,574 as shown in the Balance Sheet on Page 9.

These accounts have been drawn up on a going concern basis on the understanding that the Directors have ensured that sufficient finance will be made available to enable the Company to continue its normal trading activities.

2. Accounting Policies:

(a) Basis of Accounting:

The Company prepares its accounts on the historical cost basis of accounting adjusted for the revaluation of certain freehold properties.

(b) Tangible Fixed Assets and Depreciation:

Tangible Fixed Assets are being depreciated on the following bases:

Freehold Properties:

St Andrew's	- Nil
Training Ground	- Nil
Other	- Nil

Furniture and Equipment	- 10% Reducing Balance
Motor Vehicles	- 25% Reducing Balance

The directors are advised by the valuers that the amounts included in the Balance Sheet in respect of the valuation of the freehold Properties at St. Andrew's and the training ground, on the basis of the value in the open market, comprise mainly land. Accordingly no depreciation is provided on these properties.

(c) Transfer Fees:

Transfer fees payable and receivable are charged or credited to revenue in the year in which they are made.

(d) Stock:

Stock is stated at the lower of cost and net realisable value.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

NOTES AND ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 30TH JUNE, 1986

<u>3. Interest Receivable:</u>	<u>1986</u>	<u>1985</u>
Short Term Loans	-	-
Bank Interest	-	44
	<u>-</u>	<u>44</u>
<u>4. Interest Payable:</u>	<u>1986</u>	<u>1985</u>
Bank Overdraft and Loans Repayable within five years	87,399	120,383
Other Loans	-	12,156
Sundry Interest	-	71
	<u>87,399</u>	<u>132,610</u>
<u>5. Transfer Fees Payable:</u>	<u>1986</u>	<u>1985</u>
Fees Payable	30,750	565,590
<u>Less: Deduction from a Buy a Player Fund</u>	<u>-</u>	<u>7,250</u>
	<u>30,750</u>	<u>558,340</u>

6. Taxation on Ordinary Activities:

No Corporation Tax is payable on the result for the year.

The Company has unutilised tax losses available for relief against future taxable profits.

No provision has been made for the potential capital gains tax liability on the revaluation of the freehold land and buildings because there is no intention to sell any of the revalued properties. The potential liability at the Balance Sheet date is £75,000.

7. Employees:

The average number employed by the Company excluding Directors was 50. (1985 - 54).

The costs incurred in respect of these employees were:

	<u>1986</u>	<u>1985</u>
Wages and salaries including signing and leaving payments	759,878	957,059
Social Security Costs (Employers N.I.)	53,513	42,967
Other Pension Costs (Football League Scheme)	7,271	10,802
	<u>820,662</u>	<u>1,010,828</u>

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

NOTES AND ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 30TH JUNE, 1986

7. Employees (Contd.):

No remuneration was paid to the Directors.

Details of employees whose total emoluments, excluding pension contributions, exceeded £30,000 are as follows:

		Number of Employees	
		1986	1985
£30,001	- £35,000	2	5
£35,001	- £40,000	2	1
£45,001	- £50,000	-	2
£50,001	- £55,000	1	-

8. Tangible Fixed Assets:

	St. Andrew's £	Freehold Land and Buildings Danson Lane £	Other £	Furniture Equipment & Vehicles £	Total £
Movement in year:					
Cost or Valuation at 1st July, 1985	1,190,000	90,000	77,582	247,868	1,515,450
Additions	-	-	-	209,340	209,340
Disposals	-	-	(51,082)	(46,272)	(97,354)
At 30th June, 1986	1,100,000	90,000	26,500	410,936	1,627,436
Comprising:					
Valuation 1981 Cost	1,100,000	90,000	26,500	-	1,216,500
Depreciation At 1st July, 1985	-	-	-	410,936	410,936
Charge for year	-	-	4,642	95,137	99,779
Disposals	-	-	-	35,032	35,032
At 30th June, 1986	-	-	(3,582)	(23,680)	(27,262)
Net Book Amounts At 1st July, 1985	1,100,000	90,000	72,940	152,731	1,415,671
At 30th June, 1986	1,100,000	90,000	25,440	304,447	1,519,887

If stated under historical cost principles the comparable total amounts for the Freehold Land and Buildings would be:

	1986	1985
Cost	822,564	873,646
Accumulated Depreciation	1,060	3,883
Net Book Amounts	821,504	869,763

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

NOTES AND ACCOUNTING POLICIES (Continued)

9. <u>Stock:</u>	<u>1986</u>	<u>1985</u>
Goods held for resale at the souvenir shop	1,500	12,708
	<hr/>	<hr/>
10) <u>Debtors:</u>	<u>1986</u>	<u>1985</u>
Trade Debtors	22,073	126,797
Other Debtors	47,407	8,859
Prepayments and Accrued Income	48,337	59,903
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	117,817	195,559
	<hr/>	<hr/>
11) <u>Creditors (Amounts falling due within one year):</u>	<u>1986</u>	<u>1985</u>
Mortgage Loan	-	1,568
Unsecured Loans	421,500	281,500
Bank Overdraft (secured)	1,076,342	976,696
Trade Creditors	274,109	304,911
Taxation and Social Security Costs	72,128	206,646
Other Creditors	37,417	25,791
Accruals and Deferred Income	87,053	236,665
	<hr/>	<hr/>
	1,968,549	2,033,777
	<hr/>	<hr/>
(a) <u>Unsecured Loans:</u>		
The Loans are interest free and there is no specific date for repayment.		
(b) <u>Bank Overdraft:</u>		
The bank overdraft is secured by a fixed charge on assets of the Company.		
12) <u>Creditors (Amounts falling due after more than one year):</u>	<u>1986</u>	<u>1985</u>
Loans from Breweries	-	11,721
Mortgage Loan	-	35,739
Other Creditors	-	4,685
Loan (Birmingham City Council)	250,000	-
	<hr/>	<hr/>
	250,000	52,145
	<hr/>	<hr/>
(a) The loan from Birmingham City Council is repayable in full in May, 1989. Interest will become payable at the end of the loan period at a rate to be agreed.		

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

NOTES AND ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 30TH JUNE, 1986

13) <u>Share Capital:</u>	<u>1986</u>	<u>1985</u>
<u>(a) Authorised:</u>		
40,000 4.2% Redeemable Cumulative Preference Shares of 50p each	20,000	20,000
960,000 Ordinary Shares of 50p each	480,000	480,000
	<u>500,000</u>	<u>500,000</u>
<u>(b) Allotted and Fully Paid:</u>		
4.2% Redeemable Cumulative Preference Shares of 50p each	19,500	19,500
Ordinary Shares of 50p each	312,373	297,563
	<u>331,873</u>	<u>316,863</u>
(c) The Preference Shares are redeemable at par at any time at the option of the company.		
(d) No dividend has been paid on the Cumulative Preference Shares since February, 1969. The dividend in arrear amounts to £14,035. (1985 - £13,216)		
(e) During the year 30,000 Ordinary Shares of 50p each were allotted at a price of £1 per share and 20 Ordinary Shares of 50p each were allotted at a price of £0.50 per share. The consideration for the Shares allotted was as follows:		
Cash	<u>£ 30,010</u>	
14) <u>Share Premium Account:</u>	<u>1986</u>	<u>1985</u>
Opening Balance	192,096	191,103
In respect of 30,000 shares allotted during year	15,000	993
	<u>207,096</u>	<u>192,096</u>
15) <u>Revaluation Reserves:</u>	<u>1986</u>	<u>1985</u>
Balance as at 1st July, 1985 and 30th June, 1986	<u>393,936</u>	<u>393,936</u>

The revaluation reserve represents surpluses that have arisen on the revaluation of the Company's Freehold Land and Buildings.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

NOTES AND ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 30TH JUNE, 1986

16) <u>Other Reserves:</u>		
	<u>1986</u>	<u>1985</u>
(a) Donations:		
At 1st July, 1985	622,825	622,825
(b) Safety of Grounds:		
At 1st July, 1985	222,588	183,134
Grants Receivable	136,487	45,260
	<u>359,075</u>	<u>228,394</u>
<u>Less: Credited to Profit</u>	<u>18,874</u>	<u>5,806</u>
and Loss Account		
	<u>340,201</u>	<u>222,588</u>
	<u>963,026</u>	<u>845,413</u>

17. <u>Profit and Loss Account:</u>	
	<u>1986</u>
Accumulated Losses:	
Brought forward	2,208,938
Loss for financial year	257,567
	<u>2,466,505</u>

18) Directors' Interests in Contracts:

(a) Mr. J.F. Wiseman is a director of Stowbourne Construction Limited and the Board discloses contracts with Stowbourne Construction Limited in respect of repairs and improvements at St. Andrew's Ground and other properties amounting to £155,738. (1985 - £76,154).

(b) The following directors have made loans to the company which were outstanding at 30th June, 1986.

	<u>1986</u>	<u>1985</u>
C.K. Coombs (Resigned 16.12.1985)	-	70,000
N.B.A. Bosworth	35,000	35,000
J.F. Wiseman	79,000	69,000
H. Parkes	32,500	32,500
K.E. Wheldon	200,000	-
	<u>346,500</u>	<u>206,500</u>

The loans are included in creditors as disclosed in Note 11 to the accounts and upon the terms as set out in Note 11 (a).

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.
NOTES AND ACCOUNTING POLICIES (Continued)
FOR THE YEAR ENDED 30TH JUNE, 1986

19) Contingent Liabilities:

Claims have been received for compensation for injuries and damages following incidents arising in the game between the Club and Leeds United Association Football Club on 11th May, 1985,

These claims have been referred to the Football League and are being dealt with through the League's insurers. The Directors are unable to comment upon the outcome of the claims.

The Company has no other contingent liabilities. (1985 - £36,000).

20) Capital Commitments:

	<u>1986</u>	<u>1985</u>
Contracted but not provided for	<u>Nil</u>	<u>65,862</u>
Authorised by the Directors but not yet contracted for	<u>Nil</u>	<u>Nil</u>

21) Approval of Accounts:

These accounts were approved by the Board of Directors on 14th May, 1987.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

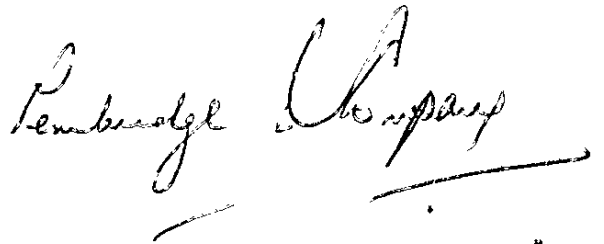
AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 7 to 17 in accordance with approved Auditing Standards.

The financial statements have been prepared on a going concern basis on the assumption that adequate financial resources will be made available to enable the Company to continue normal trading activities and, in this connection, we draw your attention to Note 1 on Page 11 regarding the deficiency of assets at 30th June, 1986 amounting to £570,574.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of the freehold properties, give a true and fair view of the state of the Company's affairs at 30th June, 1986 and of its loss and source and application of funds for the year ended on that date and comply with the Companies Act 1985.

Pembridge & Company,
Certified Accountants,
20 Birmingham Road,
WALSALL. WS1 2LT.



14th May, 1987.