

Company No. 1437374 (England and Wales)

ESTMANCO (PORCHESTER TRIANGLE) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 1997

GROMAN & CO.
Chartered Accountants
5 Violet Hill
St. John's Wood
London, NW8 9EB



ESTMANCO (PORCHESTER TRIANGLE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 1997

The Directors present their report and the financial statements for the year ended 28 September 1997.

Statement of directors' responsibilities

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 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 1985. 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.

Principal activity

The company's principal activity continues to be that of managing the leases of 84 flats on a non profit making basis.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:-

	<u>Number of shares</u>	
	<u>1997</u>	<u>1996</u>
P.W. Harper	1	1
J. Britton	1	1
P.R. Lewin (resigned)	-	1
S. Rose	1	1

Auditors

The auditors, Groman & Co., will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report, is prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 14 January 1998 and signed on its behalf by

M.F. Hicks
Secretary



ESTMANCO (PORCHESTER TRIANGLE) LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS OF
ESTMANCO (PORCHESTER TRIANGLE) LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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.

Basis of opinion

We conducted our audit in accordance with the 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.

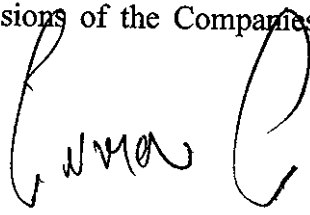
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 28 September 1997 and of its results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 relating to small companies.

5 Violet Hill
St. Johns Wood
London, NW8 9EB

14 January 1998


GROMAN & CO.
Chartered Accountants &
Registered Auditors

ESTMANCO (PORCHESTER TRIANGLE) LIMITED

**INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 SEPTEMBER 1997**

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
Income	1	109,608	103,527
Administrative Expenses		<u>(69,649)</u>	<u>(62,998)</u>
Operating Surplus	2	39,959	40,529
Provision for future expenditure		<u>(43,000)</u>	<u>(43,000)</u>
		(3,041)	(2,471)
Legal Fees Recovered		-	339
Interest Receivable		<u>3,907</u>	<u>2,842</u>
Surplus on Ordinary Activities before Taxation		866	710
Taxation on Surplus on Ordinary Activities	3	<u>£(866)</u>	<u>£(710)</u>

There were no recognised gains and losses for 1997 or 1996 other than those included in the Income and Expenditure Account.

The notes on pages 5 and 6 form part of these financial statements.

ESTMANCO (PORCHESTER TRIANGLE) LIMITED

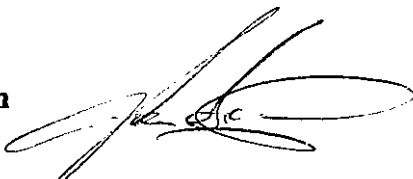
BALANCE SHEET AS AT 28 SEPTEMBER 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		£	£
Fixed Assets			
Freehold Land, at cost		70,000	70,000
Professional Fees re Freehold Land		7,015	7,015
Leasehold Flat		<u>3,037</u>	<u>3,037</u>
		80,052	80,052
Current Assets			
Amounts due from Lessees		4,927	-
Other Debtors		-	160
Cash at Bank		<u>150,692</u>	<u>138,208</u>
		<u>155,619</u>	<u>138,368</u>
Creditors:			
Amounts falling due within one year	4	<u>(27,431)</u>	<u>(7,683)</u>
Net Current Assets		<u>128,188</u>	<u>130,685</u>
Total Assets less Current Liabilities		208,240	210,737
Provision for liabilities and charges			
Future Expenditure		<u>(131,503)</u>	<u>(134,000)</u>
Net Assets		<u>£ 76,737</u>	<u>£ 76,737</u>
CAPITAL & RESERVES			
Called up Share Capital	5	84	84
Lessees for Freehold		<u>76,653</u>	<u>76,653</u>
Shareholders' Funds	6	<u>£ 76,737</u>	<u>£ 76,737</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 14 January 1998 and signed on its behalf by:-

J. Britton
Director



The notes on pages 5 and 6 form part of these financial statements.

ESTMANCO (PORCHESTER TRIANGLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 SEPTEMBER 1997

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report, and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Income

Income comprises the service charges receivable from Lessees.

2. OPERATING SURPLUS

	1997 £	1996 £
The operating surplus is stated after charging:-		
Auditors' Remuneration	<u>£2,350</u>	<u>£2,350</u>

3. TAXATION

UK current year taxation

UK Corporation Tax at 22.5% (1996 24.5%)	879	710
Less: Overprovision in previous year	<u>(13)</u>	<u>-</u>
	<u>£866</u>	<u>£710</u>

4. CREDITORS

Amounts falling due within one year:-

Contributions in Advance	-	1,166
Amounts due to Lessees	-	2,464
Corporation Tax	879	710
Lessees for Interest in Freehold	449	442
Other Creditors	2,850	2,870
Bank Overdraft	<u>23,253</u>	<u>31</u>
	<u>£27,431</u>	<u>£7,683</u>

ESTMANCO (PORCHESTER TRIANGLE) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 28 SEPTEMBER 1997**

5. CALLED UP SHARE CAPITAL

	1997	1996
	£	£
Authorised:		
84 Ordinary Shares of £1 each	<u>£84</u>	<u>£84</u>
Allotted, Called Up and Fully Paid:		
84 Ordinary Shares of £1 each	<u>£84</u>	<u>£84</u>

6. MOVEMENT ON SHAREHOLDERS' FUNDS

Opening and Closing Shareholders' Funds	<u>£76,737</u>	<u>£76,737</u>
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7. LEASEHOLD FLAT

The company owns the leasehold flat at 213B Gloucester Terrace. The flat was subject to litigation for vacant possession and the legal fees and associated costs have exceeded the rents receivable. It is expected that the deficit will be cleared by rent received during the following accounting period.