

**QUEENS COURT MANAGEMENT LIMITED
COMPANY NO. 1500374**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1999**

**NIGEL WORDINGHAM FCA
9/10 Redwell Street
Norwich
NR2 4SN**



QUEENS COURT MANAGEMENT LIMITED
REPORT OF THE DIRECTORS

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The directors have pleasure in presenting their report and financial statements for the year ended 31 October 1999.

Principal Activities

The principal activity of the company throughout was that of the property management of Queens Court, Hill Lane, Southampton.

Directors and their interests

None of the directors held shares in the company at any time in the year.

The directors who served the company throughout the year were as follows:-

K H Watson
A Watson
P Watson

Share ownership

All "A" shares are required to be held by or on behalf of Wellpine Ltd, the freeholder and holding company. Each leaseholder holds one "B" share with the remainder held by the freeholder.

Auditor

Nigel Wordingham has indicated his willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that he be re-appointed auditor to the company for the ensuing year.

Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

By Order of the Board



K H Watson
Director

19/6/ 2000

QUEENS COURT MANAGEMENT LIMITED
DIRECTORS' RESPONSIBILITIES AND REPORT OF THE AUDITORS

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Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each accounting period 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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.

Auditor's Report to the Members of Queens Court Management Limited

I have audited the financial statements on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies as set out on page 5.

Respective responsibilities of directors and auditors

As described above, the company's directors are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

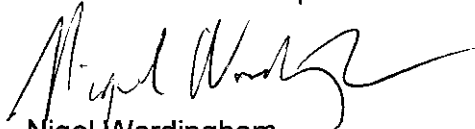
Basis of opinion

I conducted my audit in accordance with 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 1999 and of its result for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Nigel Wordingham
Chartered Accountant
and Registered Auditor

9/10 Redwell Street
Norwich
NR2 4SN

22/6/ 2000

QUEENS COURT MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 1999

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	<i>Note</i>	1999		1998	
		£	£	£	£
Turnover: contributions from leaseholders and freeholders	2		19,104		19,104
Operating Costs					
Insurance		3,114		2,960	
Cleaning and gardening		2,740		2,287	
Fire alarms/Window replacement		3,768		79	
Other repairs		16,928		583	
Fire appliances & servicing		95		303	
Electricity and lighting		861		601	
			27,506		6,813
Administrative Expenses					
Administration		6,378		4,388	
Audit		1,314		1,325	
Other professional		356		393	
Depreciation		0		0	
Bank charges		201		212	
			8,249		6,318
Operating (deficit)/surplus on ordinary activities before interest	3		(16,651)		5,973
Interest receivable			282		489
(Deficit)/Surplus on ordinary activities before taxation			(16,369)		6,462
Taxation (on interest receivable)	5		58		103
Result for the financial year			(£16,427)		£6,359

QUEENS COURT MANAGEMENT LIMITED
BALANCE SHEET
AT 31 OCTOBER 1999

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	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible assets	7		1		1
Current assets					
Debtors	8	926		557	
Cash at bank and in hand		3,571		20,516	
			4,497		21,073
Creditors: amounts falling due within one year	9		3,350		3,499
Net current assets			1,147		17,574
Net assets			£1,148		£17,575
Capital and reserves					
Maintenance fund	6		1,068		17,495
Called up share capital	10		£80		£80
			£1,148		£17,575

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Approved by the Board on 19/11 2000



K H Watson
 Director

QUEENS COURT MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1999

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1. Accounting policies

(a) Accounting basis and standards

The financial statements have been prepared under the historical cost convention

(b) Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value, of each asset over its expected useful life as

Plant and machinery	20% straight line
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(c) Turnover

Turnover represents maintenance contributions. The company is not registered for VAT purposes.

(d) Provisions

As explained in note 6, changes to layout and categorisation in the accounts have been occasioned by Financial Reporting Standard 12.

2. Turnover

Turnover is attributable to the maintenance contributions which arose wholly in the United Kingdom. Contributions are based on a budget prepared by the managing agent at the beginning of the company's year. The only other income is interest on the bank deposit.

3. (Deficit)/Surplus on ordinary activities before taxation

	1999 £	1998 £
The (deficit)/surplus on ordinary activities is stated after charging:		
Auditor's remuneration	1,322	1,325
Depreciation:		
Owned tangible fixed assets	0	0

4. Directors' emoluments

None of the directors received remuneration during the year.

5. Taxation

Corporation tax based on interest received in the year at the rates of 21% and 20% (1998: 21%)

	1999 £	1998 £
5/12 @21%	25	
7/12 @ 20%	33	
	<hr/>	<hr/>
	58	103

	Called up share capital £	Maint- enance Fund £	1999 £	1998 £
As at 1 November 1998	80	17,495	17,575	11,216
Transfer from Profit and Loss account for the year	-	(16,427)	(16,427)	6,359
Closing balance	£80	£1,068	£1,148	£17,575

Following the introduction of FRS 12 the format of the accounts has been altered to show the maintenance fund within share holders funds rather than as a liability. FRS 12 requires that a provision should only be recognised when an entity has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

This fund is held to finance mostly non-specific repair projects and other future expenditure and therefore does not meet that criteria and can not be provided for as a liability. The articles of incorporation of the company preclude the payment of any dividend and the directors are required to endeavour to secure that, taking one year with another, the company makes neither profit or loss.

7. Tangible Assets

	Plant and machinery £	Total £
<i>Cost</i>		
At 1 November 1998	619	619
Additions	0	0
Disposals	0	0
At 31 October 1999	£619	£619
<i>Depreciation</i>		
At 1 November 1998	618	618
Charge for the year	0	0
Disposals	0	0
At 31 October 1999	£618	£618
<i>Net book value</i>		
At 31 October 1999	£1	£1
At 1 November 1998	£1	£1

QUEENS COURT MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1999

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8. Debtors

	1999	1998
Contributions from leaseholders and freeholders	£926	£557
	—	—

9. Creditors: amounts falling due within one year

	1999 £	1998 £
Payments received on account	513	121
Trade creditors	366	184
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,091	1,526
Corporation tax	58	103
Other creditors	1,322	1,565
	—	—
	£3,350	£3,499
	—	—

10. Called up share capital

	1999 £	1998 £
Authorised, called up, allotted and fully paid:		
40 A shares of £1 each	40	40
40 B shares of £1 each	40	40
	—	—
	£80	£80
	—	—

11. Parent undertakings and related parties

The parent company and ultimate parent undertaking is Wellpine Ltd, incorporated in Great Britain and registered in England and Wales. Group accounts have not been prepared as the group qualifies for exemption from the requirement to prepare consolidated accounts as it is a small group.

Ultimate control rests with a director, Mr K H Watson, due to his interest in the shares of Wellpine Limited.