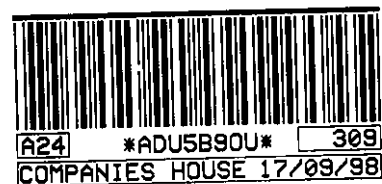


Report of the Directors and
Financial Statements
for the Year Ended 31 December 1997 ^{^^}
for
13 & 14 LOWNDES SQUARE PROPERTY
MANAGEMENT COMPANY LIMITED



**13 & 14 LOWNDES SQUARE PROPERTY
MANAGEMENT COMPANY LIMITED**

**Company Information
for the Year Ended 31 December 1997**

DIRECTORS:

R T H Wilson
R B Grosse

SECRETARY:

Richard Thomas Henry Wilson

REGISTERED OFFICE:

Sea Containers House
20 Upper Ground
Blackfriars Bridge
London SE1 9QT

REGISTERED NUMBER:

2675030

ACCOUNTANTS:

Elliotts
Centre Heights
137 Finchley Road
London NW3 6JG

**13 & 14 LOWNDES SQUARE PROPERTY
MANAGEMENT COMPANY LIMITED**

**Report of the Directors
for the Year Ended 31 December 1997**

The directors present their report with the financial statements of the company for the year ended 31 December 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property management.

DIRECTORS

The directors during the year under review were:

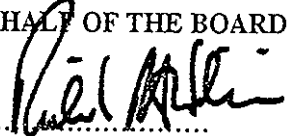
R T H Wilson
R B Grosse

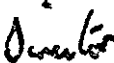
The beneficial interests of the directors holding office on 31 December 1997 in the issued share capital of the company were as follows:

	31.12.97	1.1.97
Ordinary £1 shares		
R T H Wilson	1	1
R B Grosse	1	1

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:


.....
Richard Thomas Henry Wilson - SECRETARY



Dated:

**13 & 14 LOWNDES SQUARE PROPERTY
MANAGEMENT COMPANY LIMITED**

**Profit and Loss Account
for the Year Ended 31 December 1997**

		1997	1996
	Notes	£	£
TURNOVER	2	13,502	19,766
GROSS PROFIT		13,502	19,766
Administrative expenses		15,920	22,173
		(2,418)	(2,407)
Other operating income		2,483	2,463
OPERATING PROFIT	3	65	56
Interest receivable and similar income	4	250	163
		315	219
Interest payable and similar charges		66	56
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		249	163
Tax on profit on ordinary activities	5	52	39
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		197	124
Transfer to Reserve Fund		197 (197)	124 (124)
RETAINED PROFIT CARRIED FORWARD		-	-

The notes form part of these financial statements

**13 & 14 LOWNDES SQUARE PROPERTY
MANAGEMENT COMPANY LIMITED**

Balance Sheet
31 December 1997

		1997	1996
	Notes	£	£
CURRENT ASSETS:			
Debtors	6	12	3,110
Cash at bank		15,120	8,011
		<u>15,132</u>	<u>11,121</u>
CREDITORS: Amounts falling due within one year	7	2,065	651
NET CURRENT ASSETS:		<u>13,067</u>	<u>10,470</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		13,067	10,470
PROVISIONS FOR LIABILITIES AND CHARGES:	8	13,055	10,458
		<u>£12</u>	<u>£12</u>
CAPITAL AND RESERVES:			
Called up share capital	9	12	12
Shareholders' funds		<u>£12</u>	<u>£12</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 December 1997.

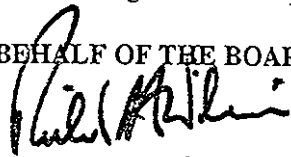
No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

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.

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:



R T H Wilson - DIRECTOR

Approved by the Board on 15th September 1998

The notes form part of these financial statements

**13 & 14 LOWNDES SQUARE PROPERTY
MANAGEMENT COMPANY LIMITED**

Notes to the Financial Statements
for the Year Ended 31 December 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.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	1997 £	1996 £
Directors' emoluments and other benefits etc	- ==	- ==

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997 £	1996 £
Deposit account interest	250 ==	163 ==

5. TAXATION

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

	1997 £	1996 £
UK Corporation Tax	52 ==	39 ==

UK Corporation Tax has been charged at 21 % (1996 - 24 %).

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

	1997 £	1996 £
Debtors	12	12
Amount due from Tenants	- =	3,098 =
	12 ==	3,110 ==

**13 & 14 LOWNDES SQUARE PROPERTY
MANAGEMENT COMPANY LIMITED**

Notes to the Financial Statements
for the Year Ended 31 December 1997

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

	1997	1996
	£	£
Other Creditors	2,004	603
Social security & other taxes	61	48
	<u>2,065</u>	<u>651</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	1997	1996
	£	£
Balance at 1st. January 1997	10,458	7,934
Contribution for Year	2,400	2,400
Net Interest Received	197	124
	<u>13,055</u>	<u>10,458</u>

9. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	1997	1996
		£1	£	£
100	Ordinary		<u>100</u>	<u>100</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	1997	1996
		£1	£	£
12	Ordinary		<u>12</u>	<u>12</u>