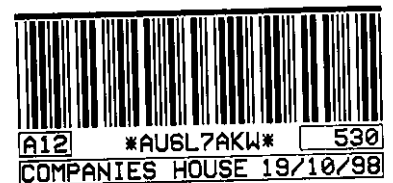


**SWANBOROUGH COURT (SHOREHAM BY SEA)
MANAGEMENT COMPANY LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 25TH MARCH 1998

Company No. 02745487



SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

Directors	J E Periam S L Myers Mrs J D Gordon Mrs J M Grzywacz
Secretary	R J Stutchbury
Company Number	02745487
Registered Office	52 Richmond Road Worthing West Sussex BN11 1PR
Auditors	Spofforths 52 Richmond Road Worthing West Sussex BN11 1PR
Bankers	Barclays Bank plc 1 Chapel Road Worthing West Sussex BN11 1EX

**SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY
LIMITED**

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SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 25TH MARCH 1998

The directors present their report together with the audited accounts for the year ended 25th March 1998.

Principal Activities

The company's principal activity continued to be that of holding the freehold reversionary interest and dealing with the maintenance of 21 flats known as Swanborough Court, New Road, Shoreham by Sea, West Sussex.

Results

The results for the year are set out in the profit and loss account on page 4.

Directors

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

	25th March 1998	26th March 1997
J E Periam	1	1
S L Myers	1	1
Mrs J D Gordon	1	1
Mrs J M Grzywacz	1	1

Mr Periam is due to retire by rotation and, being eligible, offer himself for re-election. Miss Combey resigned as a director on 13th February 1998.

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts 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 accounts 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 enable them to ensure that the accounts 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.

**SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY
LIMITED**

DIRECTORS' REPORT

FOR THE YEAR ENDED 25TH MARCH 1998

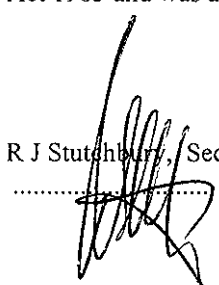
Auditors

A resolution to reappoint Spofforths Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

The report of the Directors' has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved by the board on and signed on its behalf by.

- 7 OCT 1998

R J Stutchbury, Secretary

A handwritten signature in black ink, appearing to be 'R J Stutchbury', is written over a dotted line. The signature is stylized and cursive.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

Basis of Opinion

We conducted our 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 25th March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Spofforths
Chartered Accountants
and Registered Auditors
52 Richmond Road
Worthing
West Sussex
BN11 1PR
Date: 13th October 1998

**SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY
LIMITED**

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 25TH MARCH 1998

	Notes	1998 £	1997 £
Turnover	2	11,321	13,822
Administrative expenses		7,717	13,516
Operating Profit	3	3,604	306
Interest receivable		212	30
Profit on Ordinary Activities before Taxation		3,816	336
Tax on profit on ordinary activities	4	45	7
Profit for the Financial Year		3,771	329
Retained Profit Brought Forward		389	60
Retained Profit Carried Forward		4,160	389

All amounts relate to continuing activities.

There were no recognised gains or losses for 1998 or 1997 other than those included in the profit and loss account.

SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY LIMITED

BALANCE SHEET

AS AT 25TH MARCH 1998

	Notes	£	1998 £	£	1997 £
Fixed Assets					
Tangible assets	5		5,130		5,130
Current Assets					
Debtors	6	-		585	
Cash at bank and in hand		5,151		1,113	
		<u>5,151</u>		<u>1,698</u>	
Creditors: Amounts Falling Due Within One Year	7	(771)		(1,089)	
Net Current Assets			<u>4,380</u>		<u>609</u>
Total Assets Less Current Liabilities			<u>9,510</u>		<u>5,739</u>
Creditors: Amounts Falling Due After More Than One Year	8		<u>(850)</u>		<u>(850)</u>
			<u>8,660</u>		<u>4,889</u>
Capital and Reserves					
Called up share capital	9		4,500		4,500
Profit and loss account			4,160		389
Shareholders' Funds	10		<u>8,660</u>		<u>4,889</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

7 OCT 1998

These accounts were approved by the board on and signed on its behalf.

J E Periam
Director

SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 25TH MARCH 1998

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company from the lessees in accordance with the terms of their leases and monies receivable in respect of insurance claims, if any, made by the company during the year.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating Profit

The operating profit is arrived at after charging or crediting:

	1998	1997
	£	£
Auditors' remuneration	247	235

4 Tax on Profit on Ordinary Activities

	1998	1997
	£	£
Based on interest receivable for the year		
UK corporation tax at 21% (1997 21.03%)	45	7

**SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY
LIMITED**

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 25TH MARCH 1998

5 Tangible Fixed Assets

	Freehold Land
Cost	£
At 26th March 1997	5,130
At 25th March 1998	5,130
Net Book Value	
At 25th March 1998	5,130
At 25th March 1997	5,130

6 Debtors

	1998	1997
	£	£
Trade debtors - lessees arrears	-	210
Other debtors	-	200
Prepayments	-	175
	-	585

7 Creditors: Amounts Falling Due Within One Year

	1998	1997
	£	£
Trade creditors - lessees payments in advance	-	40
Corporation tax	45	-
Other creditors	174	462
Accruals	552	587
	771	1,089

8 Creditors: Amounts Falling Due After One Year

	1998	1997
	£	£
Other creditors - loans from shareholders	850	850
	850	850

SWANBOROUGH COURT (SHOREHAM BY SEA) MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 25TH MARCH 1998

9	Share Capital	1998	1997
		£	£
	Authorised Equity Shares		
	21 Ordinary shares of £250.00 each	5,250	5,250
		<u>5,250</u>	<u>5,250</u>
	Allotted Equity Shares		
	18 Allotted, called up and fully paid ordinary shares of £250.00 each	4,500	4,500
		<u>4,500</u>	<u>4,500</u>
10	Reconciliation of Shareholders' Funds	1998	1997
		£	£
	Profit for the financial year	3,771	329
	Increase in the shareholders' funds	<u>3,771</u>	<u>329</u>
	Opening shareholders' funds	4,889	4,560
	Closing shareholders' funds	<u>8,660</u>	<u>4,889</u>

11 Related Parties

Mr R J Stutchbury, the company secretary, is also part of the company's managing agents, Stutchbury Estate Management Limited, who received management fees of £1,837 during the year.