

CROMWELL CRESCENT MANAGEMENT CO LTD

FINANCIAL STATEMENTS

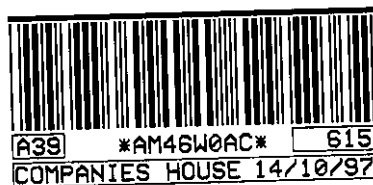
31 DECEMBER 1996

Registered number: 2911192

Miss E Hawkins

Chartered Accountant

Gerrards Cross



CROMWELL CRESCENT MANAGEMENT CO LTD

FINANCIAL STATEMENTS

for the year ended 31 December 1996

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The following page does not form part of the statutory accounts

| | |
|--|------------|
| Detailed trading and profit and loss account | Appendix 1 |
|--|------------|

CROMWELL CRESCENT MANAGEMENT CO LTD

COMPANY INFORMATION

31 December 1996

| | |
|-------------------|--|
| INCORPORATED | England |
| NUMBER | 2911192 |
| DIRECTORS | Mr J W G Murray Miss R Ikemachi Dr F P Carnevali Mr C J Sutton Mrs V P Potter |
| SECRETARY | Mr E Levinge |
| REGISTERED OFFICE | 274 Kings Road Hammersmith London W6 0SP |
| BANKERS | Barclays Bank plc Belgravia & Knightsbridge Business Centre PO Box 4578 155 Brompton Road London SW3 1XD |
| AUDITORS | Miss E Hawkins Chartered Accountant Merok Camp Road Gerrards Cross Bucks SL9 7PD |

CROMWELL CRESCENT MANAGEMENT CO LTD

DIRECTORS' REPORT

31 December 1996

The directors present their report and the audited financial statements for the year ended 31 December 1996.

Principal activity

The principal activity of the company is managing a block of flats known as 9 Cromwell Crescent and providing services and amenities thereat.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

| | 31 December 1996 Ordinary shares | 1 January 1996 Ordinary shares |
|------------------|--|--------------------------------------|
| Mr J W G Murray | 1 | 1 |
| Miss R Ikemachi | 1 | 1 |
| Dr F P Carnevali | 1 | 1 |
| Mr C J Sutton | 1 | 1 |
| Mrs V P Potter | 1 | 1 |

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Miss E Hawkins will continue in office.

Small company exemptions

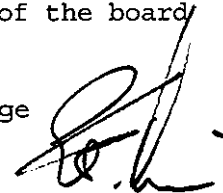
Advantage has been taken in the preparation of this report of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

9th October 1997

274 Kings Road
Hammersmith
London
W6 0SP

On behalf of the board

Mr E Levinge
Secretary



CROMWELL CRESCENT MANAGEMENT CO LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

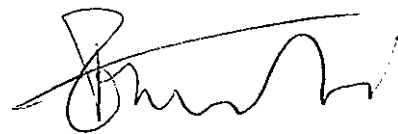
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board

Mr J W G Murray
Director

A handwritten signature in black ink, appearing to be 'J W G Murray', written over a horizontal line.

CROMWELL CRESCENT MANAGEMENT CO LTD

AUDITORS' REPORT

Auditors' report to the members of

Cromwell Crescent Management Co Ltd

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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 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.

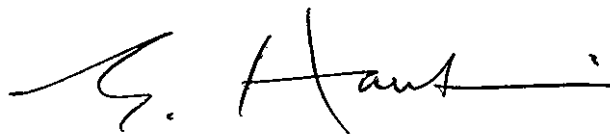
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. 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 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

9th October 1997

Gerrards Cross



Miss E Hawkins
Registered Auditor
Chartered Accountant

CROMWELL CRESCENT MANAGEMENT CO LTD

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1996

| | Note | 1996 £ | 1995 £ |
|--|------|-----------|-----------|
| Turnover | 2 | 5,920 | 5,415 |
| Net operating expenses | | | |
| Administrative expenses | | (5,384) | (5,415) |
| Operating profit | 3 | 536 | - |
| Investment income | 4 | 19 | 98 |
| Profit on ordinary activities before taxation | | 555 | 98 |
| Taxation | | - | - |
| Profit on ordinary activities after taxation | | 555 | 98 |
| retained for the year | 10 | | |

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the profit for the year.

CROMWELL CRESCENT MANAGEMENT CO LTD

BALANCE SHEET

at 31 December 1996

| | Note | 1996 £ | 1995 £ |
|--|------|---------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 5,406 | 5,406 |
| Current assets | | | |
| Debtors | 6 | 2,757 | 2,876 |
| Cash at bank and in hand | | 802 | 1,562 |
| | | <u>3,559</u> | <u>4,438</u> |
| Creditors: amounts falling due within one year | 7 | <u>(2,038)</u> | <u>(3,472)</u> |
| Net current assets | | <u>1,521</u> | <u>966</u> |
| Total assets less current liabilities | | <u><u>6,927</u></u> | <u><u>6,372</u></u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 7 | 7 |
| Capital reserve | | 5,406 | 5,406 |
| Other reserves | | <u>1,514</u> | <u>959</u> |
| Total shareholders' funds | 8 | <u><u>6,927</u></u> | <u><u>6,372</u></u> |

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 5 to 9 were approved by the board of directors on, and signed on its behalf by:

9/10/97

Mr J W G Murray
Director



CROMWELL CRESCENT MANAGEMENT CO LTD

NOTES ON FINANCIAL STATEMENTS

31 December 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1995 nil)

3 Operating profit

| | 1996 | 1995 |
|---|-------------------|-------------------|
| | £ | £ |
| Operating profit is stated after charging | | |
| Auditors' remuneration | 999 | 999 |
| | <u> </u> | <u> </u> |

4 Investment income

| | 1996 | 1995 |
|---------------------|-------------------|-------------------|
| | £ | £ |
| Interest receivable | 19 | 98 |
| | <u> </u> | <u> </u> |

CROMWELL CRESCENT MANAGEMENT CO LTD

NOTES ON FINANCIAL STATEMENTS

31 December 1996

5 Tangible fixed assets

| | Land and Buildings £ |
|---|-------------------------------|
| Cost | |
| 1 January 1996 and 31 December 1996 | 5,406 |
| Net book amount | |
| 31 December 1996 | 5,406 |
| 1 January 1996 | 5,406 |

6 Debtors

| | 1996 £ | 1995 £ |
|-------------------------------------|--------------|--------------|
| Amounts falling due within one year | | |
| Trade debtors | 1,245 | 2,124 |
| Other debtors | 1,512 | 752 |
| | <u>2,757</u> | <u>2,876</u> |

7 Creditors: amounts falling due within one year

| | 1996 £ | 1995 £ |
|-----------------|--------------|--------------|
| Trade creditors | - | 507 |
| Other creditors | 2,038 | 2,965 |
| | <u>2,038</u> | <u>3,472</u> |

8 Reconciliation of movements in shareholders' funds

| | 1996 £ | 1995 £ |
|--|--------------|--------------|
| Profit for the financial year | 555 | 98 |
| Net addition to shareholders' funds | <u>555</u> | <u>98</u> |
| Opening shareholders' funds | 959 | 861 |
| Closing shareholders' funds | <u>6,927</u> | <u>6,372</u> |

CROMWELL CRESCENT MANAGEMENT CO LTD

NOTES ON FINANCIAL STATEMENTS

31 December 1996

9 Called up share capital

| | 1996 | | 1995 | |
|--------------------------------------|---------------------|-------------------|---------------------|-------------------|
| | Number of shares | £ | Number of shares | £ |
| Authorised | | | | |
| Authorised share capital | 100 | 100 | 100 | 100 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Allotted called up and fully paid | | | | |
| Authorised share capital | 7 | 7 | 7 | 7 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |