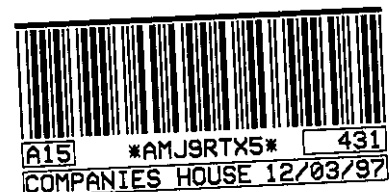


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116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 December 1996



Company No.: 3000471(England and Wales)

116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1996

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116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

COMPANY INFORMATION

Directors:

A B Cain (Chairman)
T D Burke
A F Dyer (Appointed 05/03/96)
K P Brown (Appointed 05/03/96)
D M Biggin (Appointed 11/03/96)
E M Goodson (Appointed 11/03/96)
A P Belden (Resigned 05/03/96)

Secretary:

A K Cain

Registered Office:

4 The Hawthorns
120 Mulgrave Road
Sutton
Surrey
SM2 6JP

Auditors:

Loban Field & Co.
Chartered Certified Accountants
Registered Auditors
Kings House
30a Station Way
Cheam
Surrey
SM3 8SQ

Company No.:

3000471

116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

The Directors present their report and financial statements for the 12 month period ended 31 December 1996.

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.

ACCOUNTS AND DIVIDENDS

The funds of the Company are as stated in the annexed financial statements.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The Company does not trade and is non-profit making, but merely a management company established to collect service charges to maintain the communal areas of the property.

116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

DIRECTORS' REPORT/contd...

DIRECTORS

The Directors who served during the year and their beneficial interests in the Company's issued ordinary share capital were:-

Ordinary Shares of £1 each

	<u>1996</u>	<u>1995</u>
- A B Cain	1	1
- T D Burke	1	1
- A F Dyer	1	-
- K P Brown	1	-
- D M Biggin	1	-
- E M Goodson	1	-
- A P Belden	1	1

CHARITABLE CONTRIBUTIONS

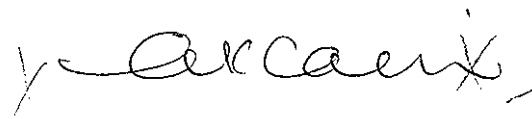
The Company has made charitable donations during the year totalling £nil.

AUDITORS

The auditors, Loban Field & Co., will be proposed for appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Board on 15 March 1994

Signed on behalf of the Board of Directors



Mrs A K Cain
Secretary

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

We have audited the financial statements on pages 6 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of Directors and Auditors

As described on page 3, the Company's Directors are responsible for the preparation of the 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 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 the 31 December 1996 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Laban Field & Co.

Chartered Certified Accountants
Registered Auditors
Kings House
30a Station Way
Cheam, Surrey



.....7th March 1997.....

116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		<u>£</u>	<u>£</u>
TURNOVER	2.	20,648	-
Operating Costs		17,115	-
OPERATING PROFIT/(LOSS)		3,533	-
Interest Receivable		-	-
Interest Payable and similar charges		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		3,533	-
Tax on Profit on ordinary activities		-	-
<u>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u>		3,533	-
Retained profit brought forward		-	-
<u>RETAINED PROFIT CARRIED FORWARD</u>		£3,533	£ -

The notes on pages 8 to 9 form an integral part of these financial statements.

116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996

		<u>1996</u>		<u>1995</u>	
	<u>Note</u>	£	£	£	£
FIXED ASSETS	3.		7,120		7,000
CURRENT ASSETS					
Debtors	4.	2,158		-	
Cash at Bank and in hand		2,102		-	
		4,260		-	
CREDITORS: Amounts falling due within one year	5.	847		-	
NET CURRENT ASSETS/(LIABILITIES)			3,413		-
TOTAL ASSETS LESS CURRENT LIABILITIES			10,533		7,000
CREDITORS: Amounts falling due after more than one year			-		-
NET ASSETS			£10,533		£7,000
CAPITAL AND RESERVES					
Called up Share Capital	6.		28		28
Share Premium			6,972		6,972
Profit and Loss Account			3,533		-
SHAREHOLDERS' FUNDS			£10,533		£7,000

The Directors have taken advantage in the preparation of these financial statements of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the Directors, the Company qualifies as a small company and is entitled to make use of the special exemptions. The financial statements were approved by the Board on 5 March 1997 and signed on its behalf.

X  X

A B Cain
DIRECTOR

The notes on pages 8 to 9 form an integral part of these financial statements.

116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements are prepared under the Historical Cost Convention. The principal accounting policies which the Directors have adopted within that convention are set out below.

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.

(b) Turnover

Turnover comprises maintenance charges receivable from freehold tenants of the 116/120 Mulgrave Road Management Co. Limited, exclusive of VAT.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated either at cost or cost less depreciation.

Depreciation where applied is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

- Freehold Property	-	not applied
- Equipment	-	25% straight line basis.

Freehold property is stated at acquisition cost and is considered appropriate for inclusion in the company's accounting records.

2. TURNOVER

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
- Resident Subscriptions	17,537	-
- Transfer Subscriptions	3,111	-
	<hr/>	<hr/>
	£20,648	£ -
	<hr/>	<hr/>

116/120 MULGRAVE ROAD MANAGEMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996 /contd...

3. FIXED ASSETS

<u>Cost</u>	<u>Freehold Property</u> £	<u>Equipment</u> £	<u>Total</u> £
- Balance B/Fwd 1/1/96	7,000	-	7,000
- Additions	-	160	160
- Balance C/Fwd 31/12/96	£7,000	£160	£7,160
<u>Accumulated Depreciation</u>			
- Balance B/Fwd 1/1/96	-	-	-
- Charge for the year	-	40	40
- Balance C/Fwd 31/12/96	£ -	£40	£40
<u>Net Book Value</u>			
- At 31/12/96	£7,000	£120	£7,120
- At 31/12/95	£7,000	£ -	£7,000

4. DEBTORS

	<u>1996</u> £	<u>1995</u> £
- Sundry Prepayments	1,048	-
- Sundry Debtors - maintenance charges due	1,110	-
	£2,158	£ -

5. CREDITORS : amounts falling due within one year:

- Sundry accrued liabilities	141	-
- Sundry Creditors	706	-
	£847	£ -

6. CALLED UP SHARE CAPITAL

Authorised, Issued and Fully Paid Up £1 ordinary shares	£28	£28
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