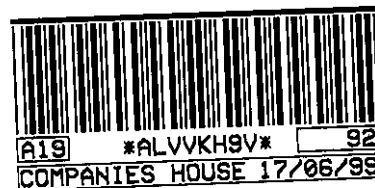


Co Reg No: 3075776

89 DRAYTON GARDENS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
Year ended 31 December 1998



89 DRAYTON GARDENS LIMITED

1

REPORT OF THE DIRECTORS for the year ended 31 December 1998

The directors present their report with the accounts of the company for the year ended 31 December 1998. In their opinion the company is exempt from audit.

PRINCIPAL ACTIVITY

The principal activity in the company in the period under review was the management of its freehold property situated at 89 Drayton Gardens, London, SW10.

REVIEW OF ACTIVITIES

A summary of the results of the periods activities is given on page 2 of the accounts. The directors consider the state of affairs for the year and for the forthcoming twelve months to be satisfactory.

DIVIDEND

The directors do not recommend payment of a dividend for the year.

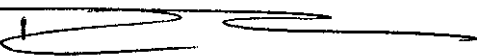
DIRECTORS

The directors in office in the year and their beneficial interests in the issued share capital were as follows:

	Ordinary shares	
	31.12.98	31.12.97
C J Snowdon	1	1
R N Frost	1	1

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

By order of the Board



R N Frost
Secretary

Dated: 21 April 1999



INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 1998

	1998	1997
	£	£
Turnover (note 1)	20,113	4,637
Net operating expenses	(20,957)	(8,111)
Operating deficit	<u>(844)</u>	<u>(3,474)</u>
Transfer from general reserve	951	-
Balance brought forward	107 (678)	(3,475) 2,796
Balance carried forward	<u>£(571)</u>	<u>£(678)</u>

The notes on pages 4 and 5 form part of these accounts

BALANCE SHEET

as at 31 December 1998

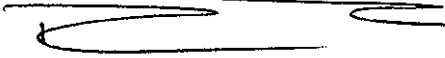
	1998	1997
	£	£
FIXED ASSETS (note 2)	11,567	11,567
CURRENT ASSETS		
Debtors (note 3)	4,993	1,130
CREDITORS: amounts falling due within one year (note 4)	5,409	702
NET CURRENT ASSETS/(LIABILITIES)	(416)	428
	<u>£11,151</u>	<u>£11,995</u>
CAPITAL AND RESERVES		
Called up share capital (note 5)	5	5
General reserve (note 6)	-	951
Lessees' contributions (note 1)	11,717	11,717
Income and expenditure account, adverse balance	(571)	(678)
	<u>£11,151</u>	<u>£11,995</u>

In the directors' opinion the company was entitled under section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31 December 1998. No member of the company has deposited a notice under section 249B(2) requiring an audit of these accounts.

The directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts 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 year in accordance with its requirements, so far as is applicable to the company.

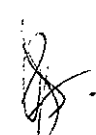
These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

Approved by the board on 21 April 1999
and signed on its behalf by

 Director

R N FROST

The notes on pages 4 and 5 form part of these accounts.



NOTES TO THE ACCOUNTS

31 December 1998

1 ACCOUNTING POLICIES**Basis of accounting:**

The accounts have been prepared under the historical cost convention and the Financial Reporting Standard for Smaller Entities.

Tangible fixed asset:

No depreciation is provided on the freehold reversion.

Turnover:

Turnover represents service and management charges and is attributable to continuing operations.

Taxation:

In the opinion of the directors the company is a mutual trading company and accordingly only subject to corporation tax on investment income.

Cash flow statement:

The company is exempt from the requirement to prepare a cash flow statement as it is a small company as defined in Section 247 of the Companies Act 1985.

Lessees contributions:

Lessees made contributions to the company to enable it to purchase the freehold reversion of 89 Drayton Gardens, London, SW10. These advances are not intended to be interest bearing nor repayable.

2 FIXED ASSET	1998	1997
Freehold reversion of 89 Drayton Gardens, London SW10	£	£
At 1 January 1998 and 31 December 1998	<u>11,567</u>	<u>11,567</u>
3 DEBTORS	1998	1997
	£	£
Service charges due	4,763	750
Cash held by managing agents	230	380
	<u>£4,993</u>	<u>£1,130</u>
4 CREDITORS: Amounts falling due within one year	1998	1997
Accruals	5,371	702
Service charges in advance	38	-
	<u>£5,409</u>	<u>£702</u>

NOTES TO THE ACCOUNTS (continued)
31 December 1998

5 CALLED UP SHARE CAPITAL

	1998	1997
	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid:		
5 ordinary shares of £1 each	5	5

6 GENERAL RESERVE

	1998	1997
	£	£
Balance at 1 January 1998	951	951
Transfer to income and expenditure account	(951)	-
Balance at 31 December 1998	-	£951

7 TRANSACTIONS WITH RELATED PARTIES

The directors are lessees of flats at 89 Drayton Gardens and as such liable for the payment of service charges in common with the other lessees.