

REPORT OF THE DIRECTORS

The Directors present their report together with the Financial Statements for the period from incorporation to 31st December 1998.

ACTIVITIES

The company was incorporated on 28th August 1998. The company is a non-profit making property management company which will be responsible for the management and maintenance of an estate situated at and known as Arabia Court at St Johns, Waterside, Hythe, Hampshire, on behalf of the freeholders and leaseholders thereof. The company has not as yet taken over its responsibilities.

The company did not trade during the year.

RESULTS AND DIVIDENDS

The state of the company's affairs is set out in the attached financial statements.

The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors in office during the period are as follows:-

Mr D.D. Bell
Mrs J.W. Pallister

Having been appointed Directors by the subscribers, both Mr D.D. Bell and Mrs J.W. Pallister will retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTOR'S SHAREHOLDING

The interest of the Director in the Shares of the company during the period under review was:-

Mr D.D. Bell	1 'B' Share
Mrs J.W. Pallister	1 'B' Share

SHARE CAPITAL

The share capital of the company is £750 divided into 14 'A' shares of £50 each, and 50 'B' shares of £1 each. The ownership of the 'A' shares will be restricted to those persons who are freeholders or leaseholders of properties comprised in the estate situated at and known as Arabia Court at St Johns, Waterside, Hythe, Hampshire.



ARABIA COURT MANAGEMENT (HYTHE) LIMITED

CLOSE COMPANY

So far as the Directors are aware, the Company is a close Company within the meaning of the Income and Corporation Taxes Act 1988.

AUDIT

The Company has taken advantage of the Companies Act 1985 (Audit Exemption) Regulations 1994 (SI 1994/1995) and therefore these Accounts have not been audited.

ARABIA COURT MANAGEMENT (HYTHE) LIMITED

DIRECTORS RESPONSIBLE FOR THE FINANCIAL STATEMENT

Company law requires the Directors to prepare Financial Statements for each financial year which gives a true and fair view of the state of the affairs of the company and of the profit and loss of the Company for that period. In preparing those Financial Statements, the Directors are required to:-

- i) select suitable accounting policies and then apply them consistently.
- ii) make judgements and estimates that are reasonable and prudent.
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- iv) 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, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD



H.L.E. Tasker
Secretary

Breakspear House
Bury Street
Ruislip
Middlesex HA4 7SY

Dated: *14th January, 1999*

ARABIA COURT MANAGEMENT (HYTHE) LIMITED

Balance Sheet As At 31 December 1998

	Note	1998
<u>CURRENT ASSETS</u>		
Cash at Bank and in Hand		50
Debtors		-
		<hr/>
		50
<u>LESS CREDITORS</u>		
Amounts falling due within one year		<hr/>
		-
		<hr/>
		50
<u>CAPITAL AND RESERVES</u>		
Called up Share Capital		50
Profit and Loss Account		<hr/>
		-
		<hr/>
		50

The Financial Statements were approved by the Board of Directors on 14th January 1999.

For the year in question, the Company was entitled to the exemption from an audit under S249A(1) of the Companies Act 1985. No notice has been deposited under S249B(2) of the Act in relation to the Financial Statements for the financial year. The Directors acknowledge their responsibilities for:-

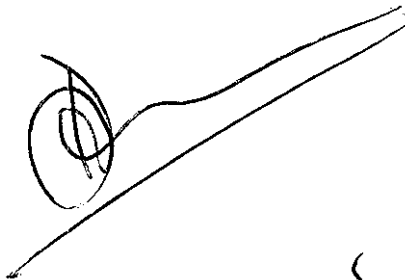
- a) ensuring that the Company keeps accounting records which comply with s221 of the Companies Act 1985, and
- b) preparing Financial Statements which give a true and fair view of the state of affairs of the Company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of s226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to Financial Statements so far as applicable to the Company.

ARABIA COURT MANAGEMENT (HYTHE) LIMITED

Balance Sheet as at 31st December 1998 – continued

Advantage has been taken in the preparation of the Financial Statements, of special exemptions applicable to small companies on the ground that, in the Directors' opinion, the Company qualifies as a small company under s246 and s247 of the Companies Act 1985.

D.D BELL
DIRECTOR

A handwritten signature in black ink, consisting of a stylized 'D' followed by a long horizontal stroke.

J.W. PALLSTER
DIRECTOR

A handwritten signature in black ink, appearing to read 'J.W. Pallster' in a cursive script.

ARABIA COURT MANAGEMENT (HYTHE) LIMITED

Notes to the Financial Statements For the Period Ended 31st December 1998

1. Activities and Results

The company has not traded at any time since incorporation.

2. Accounting Convention

The Accounts have been prepared under the historical cost convention. As the company has not traded since incorporation, no profit and loss account has been prepared.

3. Directors and Employers

No emoluments were paid or payable to the Directors for the period. There were no employees during the period.

4. Share Capital

	At Incorporation	At 31 st December 1998
<u>Authorised</u>		
14 'A' Shares of £50 each	700	700
50 'B' Shares of £1 each	<u>50</u>	<u>50</u>
	<u>750</u>	<u>750</u>
<u>Issued and Fully Paid</u>	£	£
50 'B' shares of £1 each (At incorporation 2 'B' shares of £1)	<u>2</u>	<u>50</u>

During the period under review, 48 'B' shares were issued at par for cash to Sequoia Developments Limited.

5. Capital Commitments

The Company had no capital commitments at 31 December 1998.

6. Contingent Liabilities

The Company had no contingent liabilities at 31 December 1998.