

1.

BRACKENWOOD RESIDENTS COMPANY LIMITEDREPORT OF THE DIRECTORS

The directors present their report and the audited accounts of the company for the year ended 1st November, 1997.

Principal Activities

The principal activities of the company are the management and maintenance of Brackenwood, Goldsmith Avenue, Crowborough.

Results and Review of the Business

The company does not trade but receives contributions from the residents of Brackenwood for the management and maintenance of the common areas of the property.

The surplus of income over expenditure for the year was nil (1996 surplus nil).

In view of the "break-even" position the directors do not recommend the payment of a dividend.

Directors

The directors who served during the year, together with their interests in the shares of the company at the date of appointment and the year end, were as follows:-

|             |       | <u>Shares Held</u> |                |
|-------------|-------|--------------------|----------------|
|             |       | <u>1.11.97</u>     | <u>1.11.96</u> |
| J.A.Adam    | (Mrs) | 2                  | 2              |
| P.J.McColl  | (Mr)  | 2                  | 2              |
| M.P.Tebbutt | (Mrs) | 2                  | 2              |
| E.A.Saville | (Mrs) | 2                  | 2              |

Auditor

D.S.Stracey tendered his resignation as auditor having reached retirement age. He indicated that he would continue to assist the company for a reasonable period until a successor was appointed.

Con td./



Secretary

P.J.McColl will resign as company secretary on 1st April, 1998,  
and Mrs E.Saville will succeed him as from that date.

Registered Office:

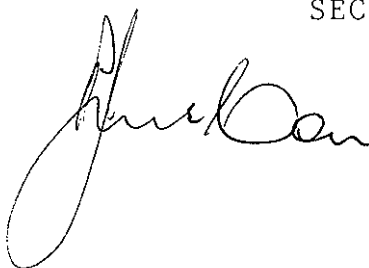
"Leigh"  
Goldsmith Avenue  
Crowborough  
East Sussex  
TN6 1RH

ON BEHALF OF THE BOARD

P.J.McCOLL

SECRETARY

Date 31st March, 1998  
.....

A handwritten signature in dark ink, appearing to read 'P.J. McColl', is written over the printed name and title of the secretary.

BRACKENWOOD RESIDENTS COMPANY LIMITED

REPORT OF THE AUDITOR

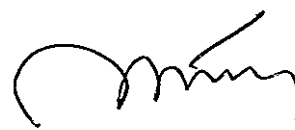
TO THE MEMBERS

BRACKENWOOD RESIDENTS COMPANY LIMITED

I have audited the accounts on pages 3 to 6 in accordance with approved Auditing Standards.

In my opinion the accounts, which have been prepared under the Historical Cost Convention, give a true and fair view of the state of the Company's affairs at the 1st November, 1997, and of its surplus for the year ended on that date, and comply with the Companies Act 1985.

7, Maypole Road  
East Grinstead  
West Sussex  
RH19 1HL



D.S. STRACEY

CHARTERED ACCOUNTANT

Date 31st March, 1998.

BRACKENWOOD RESIDENTS COMPANY LIMITEDINCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 1st NOVEMBER, 1997

|  | <u>Notes</u> | <u>1997</u> | <u>1996</u> |
|--|--------------|-------------|-------------|
| Turnover                                   |              | 961         | 4,167       |
| Cost of Sales                              |              | -           | -           |
|  |              | <hr/>       | <hr/>       |
| Gross Surplus                              |              | 961         | 4,167       |
| Administration Expenses                    |              | 961         | 4,167       |
|  |              | <hr/>       | <hr/>       |
| Operating Surplus/(deficit)                | 2            | -           | -           |
| Surplus/(Deficit) Brought Forward          |              | 12          | 12          |
|  |              | <hr/>       | <hr/>       |
| Retained Surplus/(Deficit) Carried Forward |              | £ 12        | £ 12        |
|  |              | ===         | =====       |



BRACKENWOOD RESIDENTS COMPANY LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 1st NOVEMBER, 19971. ACCOUNTING POLICIES

- (a) The accounts have been prepared under the historical cost convention.
- (b) The Surplus/(Deficit) on income and expenditure account is transferred to an accumulated maintenance fund for the provision of future expenditure on property and garden maintenance.

2. OPERATING SURPLUS/(DEFICIT)

|  | <u>1997</u> | <u>1996</u> |
|--|-------------|-------------|
| Operating Surplus/(Deficit) is stated after charging the following:- | £           | £           |
| Auditor's Remuneration   | 90          | 85          |
|  | —           | —           |

3. EMPLOYEES

Average number of people (including Directors) employed by the company during the period:-

|                |   |   |
|----------------|---|---|
| Administration | 4 | 4 |
|                | — | — |

There were no costs in respect of these employees. None of the Directors received any emoluments from the company during the year.

4. CALLED UP SHARE CAPITAL

|  |     |     |
|--|-----|-----|
| Authorised<br>100 Ordinary Shares of £1 each                   | 100 | 100 |
|  | —   | —   |
| Allotted Issued and Fully Paid<br>8 Ordinary Shares of £1 each | 8   | 8   |
|  | ==  | ==  |

5. ACCUMULATED MAINTENANCE RESERVE

|                                |     |     |
|--------------------------------|-----|-----|
| At 1st November, 1996          | 12  | 12  |
| Surplus/(Deficit) for the year | -   |     |
|                                | —   | —   |
| At 1st November 1997           | £12 | £12 |
|                                | ==  | ==  |

BRACKENWOOD RESIDENTS COMPANY LIMITEDINCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 1st NOVEMBER, 1997

|   | <u>1997</u> | <u>1996</u> |
|---|-------------|-------------|
|   | £           | £           |
| <u>INCOME</u>                           |             |             |
| Contributions Receivable from Residents | 950         | 4,167       |
| Bank Interest Received                  | 11          | -           |
|   | <hr/>       | <hr/>       |
|   | 961         | 4,167       |
| <u>EXPENDITURE</u>                      |             |             |
|   | £           | £           |
| Redecoration and Repairs                | 360         | 3,601       |
| Insurance                               | 496         | 463         |
| Audit and Accountancy                   | 90          | 85          |
| Company Registration Fee                | 15          | 18          |
|   | <hr/>       | <hr/>       |
|   | 961         | 4,167       |
|   | <hr/>       | <hr/>       |
| SURPLUS/(DEFICIT)                       | £ -         | £ -         |
|   | ===         | =====       |