

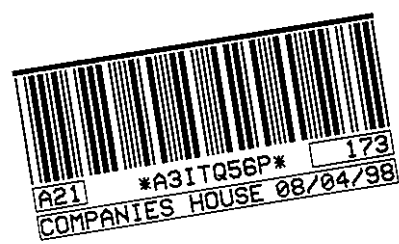
CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LTD

COMPANY REGISTRATION NUMBER 1032387

FINANCIAL STATEMENTS

- for the year ended -

31 DECEMBER 1997



CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

DIRECTORS : Mr F J Fleming
Mr C E Hamlyn
Mr J Green
Mrs M M Steer
Mr E F L Sutton
Mr E P Hardingham

SECRETARY : E P Hardingham

REGISTERED OFFICE : Newingate House
16/17 Lower Bridge Street
CANTERBURY
Kent CT1 2LG

AUDITORS : Hughes Allen
Newingate House
16/17 Lower Bridge Street
CANTERBURY
Kent CT1 2LG

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FOR THE YEAR ENDED 31 DECEMBER 1997

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CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of the management of the property known as Cordova Court, Folkestone.

MAINTENANCE EXPENDITURE

The expenditure on maintenance and management during the year totalled £16,892.34 as shown on page 4 of these financial statements and is divisible equally amongst the leaseholders.

FIXED ASSETS

There has been no movement in fixed assets during the year.

The directors are of the opinion that the open market value of the freehold property significantly exceeded its book value at the balance sheet date. The insurance value is shown in note 2 of page 8 of these financial statements.

DIRECTORS

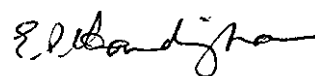
The names of the directors who have served during the year are as set out below.

Mr F J Fleming
Mr J Green
Mr C E Hamlyn
Mrs M M Steer
Mr E F L Sutton
Mr E P Hardingham

AUDITORS

A resolution to re-appoint Hughes Allen as auditors for the coming year will be proposed at the next Annual General Meeting of the company in accordance with the Companies Act 1985.

By Order of the Board



E P Hardingham
SECRETARY

AUDITORS' REPORT TO THE MEMBERS OF
CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

We have audited the financial statements on pages 4 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

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:

- a) Select suitable accounting policies and then apply them consistently.
- b) Make judgements and estimates that are reasonable and prudent.
- c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements:
- d) 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.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

BASIS OF OPINION

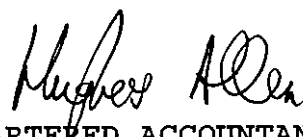
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

AUDITORS' REPORT TO THE MEMBERS OF
CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

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 31st December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


CHARTERED ACCOUNTANTS
AND
REGISTERED AUDITOR

Newingate House
16/17 Lower Bridge Street
CANTERBURY
Kent CT1 2LG

7th April 1998

CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

FLAT MANAGEMENT EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1997

	£	<u>1997</u>	£	£	<u>1996</u>	£
Electricity		374.16			415.87	
Repairs and Maintenance		4,955.76			4,343.02	
Lift Maintenance		1,780.38			1,651.25	
Insurance		3,112.00			2,917.61	
Caretaker/Cleaner		2,177.00			2,568.36	
Garden Upkeep		1,776.90			2,002.70	
Door Phone		366.62			352.52	
Bank Charges		78.52			90.42	
Accountancy and Audit Fee						
Charge for Year	674.65			611.47		
Prior year	-			44.32		
		<u>674.65</u>		<u>655.79</u>		
Sundry Expenses		157.60			32.19	
Management and Collection						
charges		1,468.75			1,468.75	
Corporation Tax Paid		-			6.25	
		<u>16,922.34</u>		<u>16,504.73</u>		
Ground Rent Received		(30.00)			-	
		<u>£ 16,892.34</u>		<u>£ 16,504.73</u>		

CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

BALANCE SHEET

31 DECEMBER 1997

	<u>Note</u>	£	<u>1997</u> £	£	<u>1996</u> £
<u>FIXED ASSETS</u>					
Tangible Fixed Assets	2		12,771		12,771
<u>CURRENT ASSETS</u>					
Debtors and Prepayments	3	5,242		5,440	
Cash at Bank and in Hand		3,785		3,381	
		<hr/>		<hr/>	
		9,027		8,821	
<u>CREDITORS</u> - amounts falling due within one year	4	4,798		4,592	
		<hr/>		<hr/>	
<u>NET CURRENT ASSETS</u>			4,229		4,229
			<hr/>		<hr/>
<u>NET ASSETS</u>			£ <u>17,000</u>		£ <u>17,000</u>
<u>CAPITAL AND RESERVES</u>	5				
Leaseholders' deposits for maintenance			4,000		4,000
Leaseholders' deposits for freehold			13,000		13,000
			<hr/>		<hr/>
			£ <u>17,000</u>		£ <u>17,000</u>

These financial statements were approved by the Board on

23 March

1998

.....  E F L SUTTON

.....  E P HARDINGHAM

CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

REPAIRS AND MAINTENANCE TO PROPERTY

YEAR ENDED 31 DECEMBER 1997

		£
Tetlow	Repairs to lighting	37.31
E D Gardner	Unblock drains, do brickwork	142.55
Mayday	Unblock drains	76.00
R J Engineering	Clear drains, repaint parking lines	365.42
R J Engineering	Decorate hall stairwell	199.16
R J Engineering	Repairs to internal stairwell	2,843.10
R J Engineering	Repair hall ceiling	133.36
Perry	Repair parking sign	150.00
Perry	Repair ceilings	100.00
Perry	Repair and adjust door closure	30.00
Mr Green	Seagull deterrent	47.15
G C Higgs	Window repairs	323.13
Southern Exteriors	Repair porch roof and repaint	352.00
Bold	Repair leak on balcony	50.83
Key Services	Fire extinguishers	105.75
		<hr/>
		£ <u>4,995.76</u>

CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. A summary of the more important accounting policies adopted is set out below.

a) Accounting Convention

The financial statements are prepared under the historical cost convention.

b) Maintenance Expenditure

Costs, charges and expenses in accordance with the 5th Schedule, Clause 2 of the lease are divided equally between the leaseholders.

c) Depreciation

No depreciation is provided on the freehold property as the main function of the company is to manage and maintain the property for the flat holders. Depreciation does not form an expense of management as defined in the document under which the flat holders hold the property.

d) Maintenance Charges

By reason of the fact that all leaseholders are obliged under the terms of their leases to have deposited the sum of £200, any quarterly maintenance charge is to re-establish the amount of deposit used for outgoings, together with a suitable portion of the amount required to defray expenses in excess of the deposit. Consequently any receipt of a requisition for 25th December should be treated as a reduction of a leaseholder's account which would otherwise be a creditor before being treated as a receipt in advance. The financial statements for 31st December 1997 have been drawn up on this basis.

CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

e) Format of the Financial Statements

The directors have relied upon the exemption within Section 228(5) Companies Act 1985 to not prepare a formal profit and loss account in accordance with the requirements of S226(1)(b) and Schedule & Companies Act 1995 because the company is a resident owned flat management company which does not trade. The directors are therefore of the opinion that a profit and loss account does not give a true and fair view of effects of the company's activities during the year, these activities being reflected by the preparation of a flat management expenditure account as detailed on page 4 of the financial statements. This revised format does not, for the year under review, have any affects on the results on the year end financial position of the company.

2. TANGIBLE FIXED ASSETS

Fixed assets comprise the cost of acquisition of the Freehold of Cordova Court. Legal charges relating thereto have been charged to the Maintenance Account in a previous year. The property is insured for £3,456,193 - the premium was paid in December 1997.

3. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Management Account	1,756	2,183
Prepayments - Insurance	3,486	3,257
	<u>£ 5,242</u>	<u>£ 5,440</u>

4. CREDITORS - amounts falling due
within one year

	<u>1997</u> £	<u>1996</u> £
Future Management Charges Received	1,013	829
Other Creditors	3,785	3,763
	<u>£ 4,798</u>	<u>£ 4,592</u>

5. CAPITAL

The company has no share capital. Every member of the company undertakes in the event of the winding up of the company to contribute such amount as may be necessary, not exceeding £1 each.

CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED

STATEMENT OF COSTS, CHARGES AND EXPENSES IN ACCORDANCE WITH

THE 5TH SCHEDULE, CLAUSE 2 OF THE LEASE FOR YEAR TO 31 DECEMBER 1997

		<u>Proportion of total costs</u>	<u>Balance at 1.1.97</u> £	<u>Due for Year</u> £	<u>Rec'd for Year</u> £	<u>Balance 31.12.97</u> £
<u>FLAT</u>						
1.	Mrs V Bradbury	1/20th	(33.63)	844.61	890.00	(79.02)
2.	Mr & Mrs E F L Sutton	1/20th	19.57	844.61	943.21	(79.03)
3.	Mr & Mrs E P Hardingham	1/20th	(33.64)	844.61	665.00	145.97
4.	Mr & Mrs F Howard	1/20th	(33.64)	844.61	665.00	145.97
5.	Mr & Mrs F Deacon	1/20th	(283.64)	844.61	665.00	(104.03)
6.	Mr & Mrs J H Kirk	1/20th	193.36	844.61	890.00	145.97
7.	Mr & Mrs F J Fleming	1/20th	(63.64)	844.62	890.00	(109.02)
8.	Mrs M M Steer	1/20th	191.36	844.62	1,115.00	(79.02)
9.	Mrs M Fidler	1/20th	(33.64)	844.62	890.00	(79.02)
10.	Ms P Ledger	1/20th	(280.23)	844.62	890.00	(325.61)
11.	Mr and Mrs Saxon	1/20th	191.37	844.62	1,115.00	(79.01)
12.	Mrs A F Ford	1/20th	191.35	844.62	890.00	145.97
13.	Mrs B Thomason	1/20th	191.35	844.62	890.00	145.97
14.	Mr & Mrs C E Hamlyn	1/20th	(33.66)	844.62	890.00	(79.04)
15.	Mrs K Edbrook	1/20th	191.34	844.62	890.00	145.96
16.	Mrs P Copping	1/20th	191.35	844.62	890.00	145.97
17.	Mr S Jemson & Ms I Toseland	1/20th	416.34	844.62	1,215.00	45.96
18.	Mr & Mrs A J Davey	1/20th	216.34	844.62	665.00	395.96
19.	Mrs M Thorburn	1/20th	(33.66)	844.62	665.00	145.96
20.	Mr & Mrs A J Green	1/20th	191.34	844.62	890.00	145.96
* £ <u>1353.69</u> <u>16,892.34</u> <u>17,503.21</u> <u>742.82</u>						

CORDOVA COURT (FOLKESTONE) MANAGEMENT COMPANY LIMITED
STATEMENT OF COSTS, CHARGES AND EXPENSES IN ACCORDANCE WITH
THE 5TH SCHEDULE, CLAUSE 2 OF THE LEASE FOR YEAR TO 31 DECEMBER 1997

CONTINUED....

	£
* Due to the company	1,755.62
Prepaid to the company	(1,012.80)
	<hr/>
£	<u>742.82</u>