

DAUPHINE COURT WEALDSTONE MANAGEMENT LIMITED,

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31st JULY 1997

The Directors submit their report and the audited accounts of the Company for the year ended 31st July 1997.

1. The principal activity of the Company was management of a Leasehold Property on behalf of its tenants.
2. The figures are shown in the attached accounts.
3. The Directors recommend that no dividends be paid in respect of the year.
4. The Directors who have served throughout the year were:

Ms W. Deacon
Mr. R.M. Jones
Ms M.L. Nolan
Dr. L. Clark
Ms D. Dunnett-Goodchild

5. Messrs. C. Anthony Wood & Co. (Chartered Certified Accountants) have notified their willingness to be re-appointed.



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 and loss of the Company for that period. In preparing the financial statements, the Directors are required to:-

1. Select suitable accounting policies and apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. State whether applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements.
4. Prepare the financial statements on a going concern basis when it is appropriate 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the above Report the Directors have taken advantage of the special exemptions applicable to small companies.

BY ORDER OF THE BOARD


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Registered Office:

25, Glover Road,
Pinner,
Middlesex HA5 1LQ.

October, 1997.

REPORT OF THE AUDITORS

TO THE MEMBERS OF

DAUPHINE COURT WEALDSTONE MANAGEMENT LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Directors Report 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.

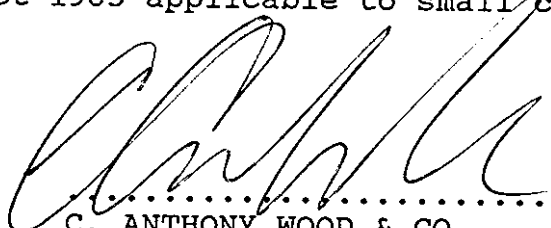
BASIS OF OPINION

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 of 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 mis-statement, 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 July 1997 and of its Result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.


.....
C. ANTHONY WOOD & CO.
Chartered Certified Accountants.
Registered Auditors.

25, GLOVER ROAD,
PINNER,
MIDDLESEX HA5 1LQ.
Tel: 0181-866-8232.
Fax: 0181-868-4670.

October, 1997.

DAUPHINE COURT WEALDSTONE MANAGEMENT LIMITED

BALANCE SHEET

YEAR ENDED 31st JULY 1997

1996

1997

CURRENT ASSETS:

183	Debtors and Prepayments (Note 7)	185.00
10,539	Cash at Bank	11,709.16
10,722		11,894.16
689	<u>LESS CREDITORS: Amounts falling due</u> <u>within one year: (Note 4)</u>	693.63
£10,033		£11,200.53
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Represented by:

SHARE CAPITAL:

12	Authorised, Issued and Fully Paid 12 Ordinary Shares of £1 each.	12.00
9,748	<u>REPAIRS & REDECORATION RESERVE</u> (Note 6)	10,858.75

INCOME AND EXPENDITURE ACCOUNT:

273	SURPLUS per annexed account	329.78
£10,033		£11,200.53
=====		=====

THE DIRECTORS HAVE TAKEN ADVANTAGE OF SPECIAL EXEMPTIONS CONFERRED BY SCH.8 OF C.A. 1985 APPLICABLE TO SMALL COMPANIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS AND HAVE DONE SO ON THE GROUNDS THAT, IN THEIR OPINION, THE COMPANY IS ENTITLED TO THOSE EXEMPTIONS.

.....)
.....)
.....) DIRECTORS
.....) October, 1997.

DAUPHINE COURT WEALDSTONE MANAGEMENT LIMITED

NOTES TO ACCOUNTS

YEAR ENDED 31st JULY 1997

1. ACCOUNTING POLICIES:

- a) The accounts have been prepared in accordance with the Historical Cost Convention on a basis consistent with previous years.
- b) Contributions are taken to Income and Expenditure Account when received.
- c) Expenses are chargeable equally to all Lessees.

2. TAXATION:

No Corporation Tax is payable as the Company is not trading with a view to profit.

3. DIRECTORS' REMUNERATION:

No remuneration is paid to the Directors.

4. CREDITORS PAYABLE WITHIN ONE YEAR:

	<u>1997</u>	<u>1996</u>
Audit Fees	599.25	581.63
Electricity	30.00	36.80
Bank Charges	49.38	52.85
Sundries	15.00	18.00
Corporation Tax	-	-
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	£693.63	£689.28
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5. FIXED ASSETS:

The Company does not possess any Fixed Assets.

6. REPAIRS & REDECORATION RESERVE:

Balance brought forward 1.7.96	9,748.25
Transfer from Income and Expenditure Account	2,640.00
Less: Expenditure in year	(1,529.50)
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Balance carried forward 30.6.97	£10,858.75
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7. DEBTORS & PREPAYMENTS:

	<u>1997</u>	<u>1996</u>
Entryphone prepaid	151.00	147.22
Insurance prepaid	34.00	35.29
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	£185.00	£182.51
	=====	=====

8. POST BALANCE SHEET EVENTS & CONTINGENT LIABILITIES:

The Directors are not aware of any material items which require disclosure.

DAUPHINE COURT WEALDSTONE MANAGEMENT LIMITED

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31st JULY 1997

1996

1997

INCOME

£6,300	Contributions Received	6,212.00
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LESS EXPENSES:

349	Entryphone	359.10
323	Maintenance	386.72
1,844	Insurance	1,764.29
495	Repairs and Redecoration	-
581	Audit and Accountancy	599.25
18	Sundry Expenses	20.53
311	Electricity	252.04
159	Bank Charges	132.71
-	Directors Remuneration	-

4,080		3,514.64
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2,220	<u>SURPLUS FOR THE YEAR</u>	2,697.36
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213	SURPLUS brought forward	272.42
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2,433		2,969.78
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2,160	TRANSFER TO REPAIRS AND REDECORATION RESERVE	2,640.00
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£ 273	<u>SURPLUS PER BALANCE SHEET</u>	£ 329.78
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1. THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE ACCOUNTS.
2. NONE OF THE COMPANY'S ACTIVITIES WERE ACQUIRED OR DISCONTINUED DURING THE ABOVE TWO FINANCIAL YEAR.
3. THE COMPANY HAS NO RECOGNISED GAINS OR LOSSES OTHER THAN THE RESULTS FOR THE ABOVE TWO FINANCIAL PERIODS.