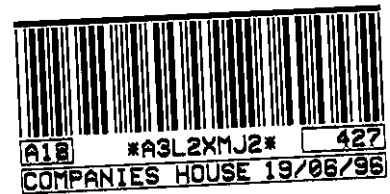


CEDARLET LIMITED
(Registered No. 2359523)

REPORT
and
FINANCIAL STATEMENTS

for the year ended
31ST MARCH, 1996



WILDING, HUDSON & CO.

Chartered Accountants

Saxon House,
17 Lewis Road,
SUTTON,
Surrey.
SM1 4BR.

CEDARLET LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 31ST MARCH, 1996

The directors present herewith the audited financial statements for the year ended 31st March, 1996.

REVIEW OF ACTIVITIES

The principal activity of the company is the letting of residential properties on assured tenancies in England.

RESULTS AND DIVIDEND

The profit for the year after taxation amounted to £333.

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors of the company, who were directors for the whole of the year, were as follows:

D.A. Roberts
P.W. Ellis

DIRECTORS' INTERESTS IN SHARES

The directors, who held office at 31st March, 1996, had the following interests in the shares of the company:

	<u>31st March, 1996</u> <u>Ord. shares of £1</u>	<u>1st April, 1995</u> <u>Ord. shares of £1</u>
D.A. Roberts	130,000	39,000
P.W. Ellis	-	32,000

CLOSE COMPANY PROVISION

In the opinion of the directors, the company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

CEDARLET LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 31ST MARCH, 1996

- CONTINUED -

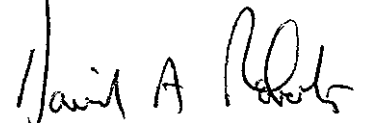
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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:-

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent; and
- (iii) 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.

BY ORDER OF THE BOARD



DAVID A. ROBERTS
(Secretary)

14 JUNE 1996

CEDARLET LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF

CEDARLET 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 6.

Respective Responsibilities of Directors and Auditors

As described on page 2, the company's directors are responsible for the preparation of 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 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.

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.

The financial statements have been prepared on a going concern basis, the validity of which is dependent on the continuing financial support of the company's directors. Our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st March, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act, 1985 applicable to small companies.

WILDING, HUDSON & CO.,
Saxon House,
17 Lewis Road,
SUTTON,
Surrey,
SM1 4BR.

W. L. H. L. L.

14th June, 1996

Chartered Accountants
and Registered Auditors

CEDARLET LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 1996

		<u>1996</u>	<u>1995</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
Rent receivable	1(b)	16,720	15,366
Administrative expenses		(6,502)	(7,680)
Operating profit	2	10,218	7,686
Interest receivable	3	182	293
Interest payable	4	(10,000)	(10,000)
Profit/(loss) on ordinary activities before taxation		400	(2,021)
Taxation	5	(67)	-
Profit/(loss) on ordinary activities after taxation		333	(2,021)
Retained profit brought forward		18,076	20,097
Retained profit carried forward		£18,409 =====	£18,076 =====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST MARCH, 1996

	<u>1996</u>	<u>1995</u>
Profit/(loss) for the year	£333 ====	£(2,021) =====

The notes on pages 6 to 9 form part of these financial statements.

CEDARLET LIMITED

BALANCE SHEET

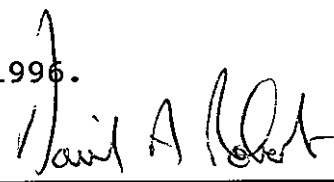
AS AT 31ST MARCH, 1996

		<u>1996</u>		<u>1995</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
TANGIBLE FIXED ASSETS					
Leasehold properties	6		306,503		307,448
CURRENT ASSETS					
Cash at bank		4,501		3,247	
Debtors	7	-		350	
		<hr/>		<hr/>	
		4,501		3,597	
CREDITORS - amounts falling due within one year	8	(2,595)		(2,969)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			1,906		628
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			308,409		308,076
CREDITORS - amounts falling due after one year	9		(160,000)		(160,000)
			<hr/>		<hr/>
NET ASSETS			£148,409		£148,076
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	10		130,000		130,000
Profit and loss account			18,409		18,076
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS - All equity	11		£148,409		£148,076
			=====		=====

Advantage has been taken in the preparation of the accounts of special exemptions applicable to small companies provided by Part I of Schedule 8 to the Companies Act, 1985.

The grounds on which, in the directors' opinion, the company is entitled to those exemptions are that the company qualifies as a small company under S.247 of the Companies Act 1985.

Approved by the Directors on 14 JUNE , 1996.



D.A. ROBERTS
(Director)

The notes on pages 6 to 9 form part of these financial statements.

CEDARLET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 1996

1. ACCOUNTING POLICIES

(a) Accounting Convention

The company's financial statements are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

The financial statements include the results of the activities described in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

(b) Rent Receivable

Rent receivable represents the income due for the year from the letting of the leasehold properties.

(c) Amortisation

Amortisation is calculated to write off the cost of the leasehold properties over the period of the leases.

2. OPERATING PROFIT

Operating profit is stated after charging:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Auditors' remuneration	735	970
Amortisation of tangible fixed assets	945	945
	===	===

3. INTEREST RECEIVABLE

	<u>1996</u>	<u>1995</u>
Bank interest	£182	£293
	====	====

4. INTEREST PAYABLE

	<u>1996</u>	<u>1995</u>
Gross interest paid on Director's loan	£10,000	£10,000
	=====	=====

CEDARLET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 1996

- CONTINUED -

5. TAXATION

	<u>1996</u>	<u>1995</u>
Corporation tax payable at 25%	£67	£-
	=====	=====

The company made a loss for tax purposes for the year ended 31st March, 1995 and therefore no Corporation Tax is payable for that year.

6. TANGIBLE FIXED ASSETS

	<u>Leasehold Property</u>	<u>Leasehold Investment Properties</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
COST			
At 1st April, 1995			
and at 31st March, 1996	£80,960	£228,109	£309,069
	=====	=====	=====
AMORTISATION			
At 1st April, 1995	698	923	1,621
Charge for the year	698	247	945
	-----	-----	-----
At 31st March, 1996	£1,396	£1,170	£2,566
	=====	=====	=====
NET BOOK VALUE			
At 31st March, 1996	£79,564	£226,939	£306,503
	=====	=====	=====
NET BOOK VALUE			
At 31st March, 1995	£80,262	£227,186	£307,448
	=====	=====	=====

The directors are satisfied that the value of the leasehold investment properties as stated in the financial statements would not be materially different from their open market value.

CEDARLET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 1996

- CONTINUED -

7. DEBTORS

	<u>1996</u>	<u>1995</u>
Other debtors	£-	£350
	=====	=====

8. CREDITORS - amounts falling
due within one year

	<u>1996</u>	<u>1995</u>
	£	£
Corporation tax	67	-
Other creditors	1,393	1,393
Accruals	1,135	1,576
	-----	-----
	£2,595	£2,969
	=====	=====

9. CREDITORS - amounts falling
due after one year

	<u>1996</u>	<u>1995</u>
Director's loan	£160,000	£160,000
	=====	=====

10. SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Authorised:		
1,000,000 ordinary shares of £1 each	£1,000,000	£135,000
	=====	=====
Allotted, issued and fully paid:		
130,000 ordinary shares of £1 each	£130,000	£130,000
	=====	=====

CEDARLET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 1996

- CONTINUED -

11. MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Profit/(loss) for the year	333	(2,021)
Opening shareholders' funds	148,076	150,097
	<hr/>	<hr/>
Closing shareholders' funds	£148,409	£148,076
	=====	=====

12. INVESTMENT

The company owns 2 out of 36 allotted shares of £300 each in Cedar Drive (N2) Residents Association Limited, a company incorporated in England.

13. TRANSACTIONS WITH DIRECTORS

During the year ended 31st March, 1995, the company purchased the long leases on two properties from D.A. Roberts, a director. The two properties were bought for their market value of £180,000.