

REGISTRAR - SIGN &
RETURN

EARLS COURT MANAGEMENT COMPANY LIMITED

ACCOUNTS

YEAR ENDED

31ST DECEMBER 1997

REF: 02941353

SAGARS

Chartered Accountants



EARLS COURT MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

DIRECTORS

C.G. Roberts
J.G. Linneker

The directors submit their report and accounts for the year ended 31st December 1997.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was that of administering the services common to the flat owners of Sequana Court.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their beneficial interests in the company's share capital were as follows:

	Ordinary shares	
	31.12.97	31.12.96
C.G. Roberts (Subscriber share)	1	1
J.G. Linneker	-	-

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss for that period. In preparing those accounts the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the accounts on the going concern basis unless it is inappropriate to assume 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 accounts 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 or other irregularities.

AUDITORS

A resolution to re-appoint Sagars as auditors will be put to the members at the Annual General Meeting.

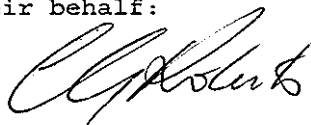
EXEMPTION

In preparing this report, the board has taken advantage of special exemptions available to small companies, on the grounds that the company qualifies as small for the year ended 31st December 1997.

Approved by the board on 9th October 1998

Signed on their behalf:

X
C.G. Roberts
Secretary



AUDITORS' REPORT

TO THE SHAREHOLDERS OF EARLS COURT MANAGEMENT COMPANY LIMITED

We have audited the accounts on pages 3 to 6 which have been prepared under 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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 the information in the accounts.

Explanatory paragraph

These accounts do not conform to the layout specified in the Companies Act 1985. We agree that this modification is necessary to give a true and fair view of the state of the company's affairs, and our opinion is not qualified in this report.

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1997 and have been properly prepared in accordance with the Companies Act 1985.

Sagars

SAGARS
Chartered Accountants
and Registered Auditors
Elizabeth House
Queen Street
LEEDS
LS1 2TW

9th October 1998

EARLS COURT MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31ST DECEMBER 1997

	1997	1996
INCOME		
Management fees receivable	£8,468	£5,653
	<u> </u>	<u> </u>
EXPENDITURE		
Electricity	180	79
Insurance	917	872
Cleaning	1,454	1,470
Repairs	3,325	550
Gardening	446	446
Management charges	1,763	1,762
Audit and accountancy charges	353	370
Sundry	30	104
	<u> </u>	<u> </u>
	£8,468	£5,653
	<u> </u>	<u> </u>

EARLS COURT MANAGEMENT COMPANY LIMITED

BALANCE SHEET AT 31ST DECEMBER 1997

	Notes	1997	1996
CURRENT ASSETS			
Debtors	1	4,176	2,600
		<u>4,176</u>	<u>2,600</u>
CREDITORS - amounts falling due within one year	2	(4,144)	(2,568)
NET CURRENT ASSETS		<u>32</u>	<u>32</u>
NET ASSETS		<u>£32</u>	<u>£32</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>32</u>	<u>32</u>
SHAREHOLDERS' FUNDS		<u>£32</u>	<u>£32</u>

Approved by the board on 9th October 1998
and signed on its behalf:

C.G. Roberts
Director

Company number: 02941353

The notes on page 6 form part of these accounts

EARLS COURT MANAGEMENT COMPANY LIMITED

STATEMENT OF ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The layout of the accounts departs from that set out in the Companies Act 1985. In the opinion of the directors, the format adopted is more appropriate to disclose a true and fair view of the state of the company's affairs, in view of the nature of this company.

EARLS COURT MANAGEMENT COMPANY LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

1 DEBTORS	1997	1996
Excess charges to be recovered from flat owners	218	192
Arrears of service charges due from flat owners	3,942	2,392
Other debtors	16	16
	<u>£4,176</u>	<u>£2,600</u>

2 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	1997	1996
Bank loans and overdrafts	3,570	1,988
Accruals and deferred income	574	580
	<u>£4,144</u>	<u>£2,568</u>

3 CALLED UP SHARE CAPITAL	Authorised		Allotted and fully paid	
	1997 No.	1996 No.	1997	1996
Ordinary shares of £1 each	<u>32</u>	<u>32</u>	<u>£32</u>	<u>£32</u>

4 TRANSACTIONS INVOLVING DIRECTORS

C.G. Roberts is a principal of Durham Roberts & Co, the managing agents. Management fees of £1,763 were paid during the year (1996 - £1,762).