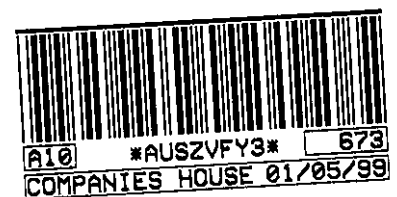


Registration Number 01260030

Manistree Limited
Directors' Report and Financial Statements
for the year ended 30 September 1998



Manistree Limited

Company Information

Directors	Mrs B M Cannon Mr E J Cannon
Secretary	Mrs B M Cannon
Company Number	01260030
Registered Office	Heron Place 3 George Street London W1H 6AD
Business Address	Heron Place 3 George Street London W1H 6AD

Manistree Limited

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Manistree Limited

**Directors' Report
for the year ended 30 September 1998**

The directors present their report and the financial statements for the year ended 30 September 1998.

Principal Activity

The principal activity of the company was and remained that of property investment.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	1998	1997
Mrs B M Cannon	999	999
Mr E J Cannon	1	1

Directors' Responsibilities

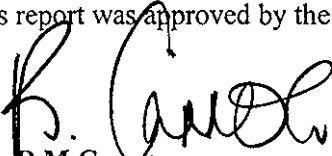
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 16 April 1999 and signed on its behalf by


Mrs B M Cannon
Secretary

Manistree Limited

**Profit and Loss Account
for the year ended 30 September 1998**

		1998	1997
	Notes	£	£
Turnover	2	48,064	37,271
Administrative expenses		(15,963)	(21,337)
Operating profit	3	<u>32,101</u>	<u>15,934</u>
Interest payable and similar charges	4	(27,465)	(14,977)
Profit on ordinary activities before taxation		4,636	957
Tax on profit on ordinary activities	6	1,010	-
Retained profit for the year		<u>5,646</u>	<u>957</u>
Retained profit brought forward		35,845	34,888
Retained profit carried forward		<u><u>41,491</u></u>	<u><u>35,845</u></u>

The notes on pages 5 to 7 form an integral part of these financial statements.

Manistree Limited

**Balance Sheet
as at 30 September 1998**

		1998		1997	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		446,004		446,391
Current Assets					
Cash at bank and in hand		200		(1,455)	
		<u>200</u>		<u>(1,455)</u>	
Creditors: amounts falling due within one year	8	(115,287)		(109,212)	
Net Current Liabilities			<u>(115,087)</u>		<u>(110,667)</u>
Total Assets Less Current Liabilities			330,917		335,724
Creditors: amounts falling due after more than one year	9		(288,426)		(298,879)
Net Assets			<u>42,491</u>		<u>36,845</u>
Capital and Reserves					
Called up share capital	10		1,000		1,000
Profit and loss account			41,491		35,845
Shareholders' Funds			<u>42,491</u>		<u>36,845</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 7 form an integral part of these financial statements.

Manistree Limited

Balance Sheet (continued)

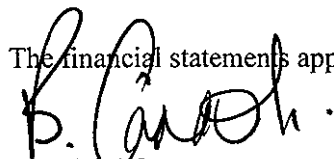
**Directors' statements required by Section 249B(4)
for the year ended 30 September 1998**

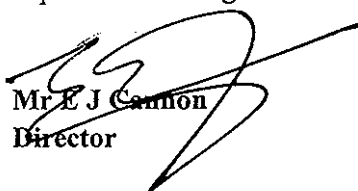
In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 September 1998 and
- (c) that we acknowledge our responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements approved by the Board on 16 April 1999 and signed on its behalf by


Mrs B M Cannon
Director


Mr E J Cannon
Director

The notes on pages 5 to 7 form an integral part of these financial statements.

Manistree Limited

**Notes to the Financial Statements
for the year ended 30 September 1998**

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings
and equipment - 15% Reducing balance

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

Operating profit is stated after charging:
Depreciation of tangible assets

1998	1997
£	£
387	455

4. Interest payable and similar charges

On loans and overdrafts

1998	1997
£	£
27,465	14,977

5. Directors' emoluments

There were no employees during the year apart from the directors.

	1998	1997
	£	£
Remuneration and other benefits	3,220	3,120

Manistree Limited

**Notes to the Financial Statements
for the year ended 30 September 1998**

..... continued

6.	Taxation			1998 £	1997 £
	Prior years				
	UK Corporation Tax			(1,010)	-
				<u>(1,010)</u>	<u>-</u>
7.	Tangible fixed assets				
		Land and buildings freehold	Long leasehold property	Fixtures, fittings equipment	Total
		£	£	£	£
	Cost				
	At 1 October 1997				
	At 30 September 1998	78,160	365,651	3,525	447,336
	Depreciation				
	At 1 October 1997	-	-	945	945
	Charge for the year	-	-	387	387
	At 30 September 1998	-	-	1,332	1,332
	Net book values				
	At 30 September 1998	78,160	365,651	2,193	446,004
	At 30 September 1997	78,160	365,651	2,580	446,391
8.	Creditors: amounts falling due within one year			1998 £	1997 £
	Bank overdraft			2,435	-
	Loans repayable within one year			37,190	37,147
	Corporation tax			-	1,010
	Directors' accounts			71,677	67,737
	Other creditors			1,985	1,290
	Accruals and deferred income			2,000	2,028
				<u>115,287</u>	<u>109,212</u>

Manistree Limited

**Notes to the Financial Statements
for the year ended 30 September 1998**

..... continued

9. Creditors: amounts falling due after more than one year	1998 £	1997 £
Loans	<u>288,426</u>	<u>298,879</u>
10. Share capital	1998 £	1997 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>