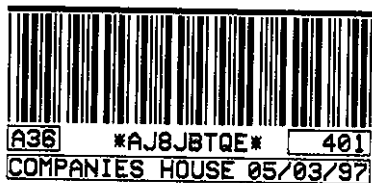


Company Number: 1429696

HATHERLEY COURT MANAGEMENT LIMITED

FINANCIAL STATEMENTS

31 December 1996



C O N T E N T S

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE FINANCIAL STATEMENTS	6-8
ADDITIONAL INFORMATION	9-10

HATHERLEY COURT MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 1996.

1 PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is the management of a block of flats.

The company collects maintenance charges from the residents in order to manage and maintain the buildings and grounds.

The company is non profit-making.

2 TRANSFER TO RESERVES

The deficit for the year after taxation amounted to £16,859 (1995: surplus £7,227) and has been deducted from the Accumulated Reserve Fund and the Asset Maintenance Fund.

3 DIRECTORS AND INTERESTS IN SHARES

The directors at 31 December 1996, together with their interests, as defined by the Companies Act 1985, in shares of the company at that date and at 1 January 1996 were as follows:

	1996	1995
R F Collins	1	1
Mrs L Stapleton	1	1
Mrs D Kirby	1	1
A T Lambert	1	1
M J S Neville	1	1
D A Underwood	1	1

4 AUDITORS

Hazlewoods have expressed their willingness to continue in office.

In preparing this report advantage has been taken of the exemptions provided by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board



MRS D KIRBY

Secretary

13 February 1997

HATHERLEY COURT MANAGEMENT LIMITED

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 or loss of the company for that period. In preparing those financial statements, 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 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.

AUDITORS' REPORT

To the members of

HATHERLEY COURT MANAGEMENT LIMITED

We have audited the financial statements on pages 4 to 8.

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 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 31 December 1996 and of its deficit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


HAZLEWOODS

Gloucester

Registered Auditors

13 February 1997

HATHERLEY COURT MANAGEMENT LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 1996

	Note	1996	1995
INCOME			
Maintenance charges		13,745	12,900
Ground rents		600	600
		<hr/>	<hr/>
		14,345	13,500
Maintenance expenses - normal		(12,737)	(8,139)
- exceptional		(20,000)	-
		<hr/>	<hr/>
		(18,392)	5,361
Other income		897	910
		<hr/>	<hr/>
		(17,495)	6,271
Investment income	2	848	1,275
		<hr/>	<hr/>
(DEFICIT) SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(16,647)	7,546
Tax on investment income	4	(212)	(319)
		<hr/>	<hr/>
(DEFICIT) SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		(16,859)	7,227
Transfer from (to) Accumulated Reserve fund	9	12,238	(6,114)
Transfer from (to) Assets Maintenance fund	10	4,621	(1,113)
		<hr/>	<hr/>
Retained surplus at end of year		£ -	£ -
		<hr/>	<hr/>

All activities of the company are continuing activities, there were no acquisitions in the year.

There were no recognised gains or losses other than the deficit for the year as shown above.

HATHERLEY COURT MANAGEMENT LIMITED

BALANCE SHEET

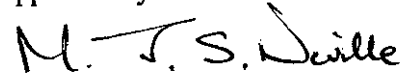
31 December 1996

	Note	1996	1995
FIXED ASSETS			
Tangible assets	5	1,423	1,782
CURRENT ASSETS			
Debtors	6	4,565	4,712
Cash at bank and in hand		13,344	29,047
		17,909	33,759
CREDITORS			
due within one year	7	1,908	1,258
NET CURRENT ASSETS		16,001	32,501
NET ASSETS		£ 17,424	£ 34,283
CAPITAL AND RESERVES			
Share capital	8	15	15
Accumulated Reserve fund	9	16,312	26,408
Asset Maintenance reserve fund	10	1,097	7,860
		£ 17,424	£ 34,283

Advantage has been taken in the preparation of the accounts, of the exemptions conferred by Schedule 8 to the Companies Act 1985.

In the opinion of the directors the company is entitled to the exemptions conferred by Schedule 8 to the Act on the basis that it qualifies as a small company under Section 247 of the Act.

Approved by the board on 13 February 1997.


M J S NEVILLE - Director

HATHERLEY COURT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1996

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting standards.

Depreciation

Depreciation is calculated to write off the cost of tangible assets over their estimated useful lives at the following rates per annum:

Plant and equipment	15% of cost
Hedging and fencing	15% of cost

Cash Flow Statement

The company has not presented a cash flow statement on the grounds that the company qualifies as a small company within the meaning of Financial Reporting Standard Number 1 and hence is exempt from the requirements thereof. The directors are of the opinion that the costs of preparing such a statement would outweigh the benefits to the company.

	1996	1995
2 INVESTMENTS		
Interest receivable	£ 848	£ 1,275
	==	==

3 (DEFICIT) SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

(Deficit) surplus on ordinary activities is stated after charging:

Depreciation of fixed assets	360	412
Auditors' remuneration	558	571
	==	==

4 TAX ON INVESTMENT INCOME

The charge for taxation comprises:

Corporation tax based on investment income for the year at 25% (1995: 25%)	£ 212	£ 319
	==	==

HATHERLEY COURT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1996

5 TANGIBLE FIXED ASSETS

	Freehold property	Fencing and hedging	Equipment	Total
Cost				
At 1 January 1996 and at 31 December 1996	242	1,276	3,858	5,376
Depreciation				
At 1 January 1996	-	905	2,689	3,594
Charge for the year	-	124	236	360
At 31 December 1996	-	1,028	2,925	3,953
Net book value				
At 31 December 1996	£ 242	£ 248	£ 933	£ 1,423
At 31 December 1995	£ 242	£ 371	£ 1,169	£ 1,782

6 DEBTORS	1996	1995
Trade debtors	971	252
Prepayments	3,594	4,460
	£ 4,565	£ 4,712

7 CREDITORS - due within one year

Taxation	212	319
Accruals	1,696	939
	£ 1,908	£ 1,258

8 SHARE CAPITAL

Authorised, allotted and fully paid: 15 ordinary shares of £1 each	£ 15	£ 15
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HATHERLEY COURT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1996

9 ACCUMULATED RESERVE FUND	1996	1995
Balance at beginning of year	26,408	20,294
Transfer (to) from retained surplus	(12,238)	6,114
Transfer from asset maintenance reserve fund	2,142	-
	<hr/>	<hr/>
Balance at end of year	£ 16,312	£ 26,408
	<hr/>	<hr/>

This fund represents maintenance charges provided in current years against future maintenance costs. This year £15,142 of the reserves were used for maintenance.

10 ASSET MAINTENANCE RESERVE FUND

Balance at beginning of year	7,860	6,747
Transfer (to) from retained surplus	(4,621)	1,113
Transfer to accumulated reserve fund	(2,142)	-
	<hr/>	<hr/>
Balance at end of year	£ 1,097	£ 7,860
	<hr/>	<hr/>

This fund represents maintenance charges provided in current years against future asset replacement costs. This year £4,858 of the reserves were used for renewing carpets and other replacements.

11 NET ASSET VALUE OF SHARES

At 31 December 1996 the net assets value of each share was £1,162.