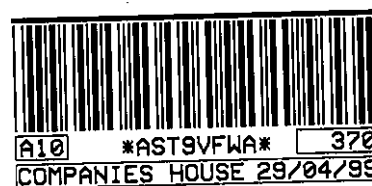


RUNDLES COURT MANAGEMENT LIMITED

FINANCIAL STATEMENTS

31ST March 1999

Company Registration number 2177805



RUNDLES COURT MANAGEMENT LIMITED

FINANCIAL STATEMENTS

Year ended 31ST March 1999

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RUNDLES COURT MANAGEMENT LIMITED

Directors' Report

Year ended 31ST March 1999

The Directors present their report and the unaudited financial statements of the Company for the year ended 31ST March 1999.

Principal Activities

The principal activity of the Company has been that of management and administration of Quarry House and the communal areas of Rundles Court, a development located at Malpas Road, Truro, Cornwall.

The Directors and their interests in shares in the Company

The Directors who served the Company during the year together with their beneficial interests in the shares of the Company were as follows:-

	Ordinary Shares of £1	
	at 31.3.98	at 31.3.99
Claire Bowden-Dan	1	1
John Garland	1	1
Shaun Tredinnick	1	1
Ian Willsher	1	1

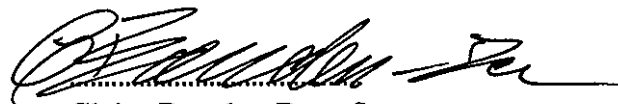
Small Company exemptions

In preparing their report, the Directors have taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the Company qualifies as a small Company.

Registered Office:

61 Ashburnham Grove
Greenwich
London SE10 8UJ

Signed on behalf of the Directors


Claire Bowden-Dan, Secretary

Approved by the Directors on



1999

RUNDLES COURT MANAGEMENT LIMITED

Profit and Loss Statement

Year ended 31st March 1999

	1999	1998
	£	£
INCOME		
Service Charges:	6,125	5,979
EXPENSES		
Bank Charges	90	82
Interest on overdraft	-	23
Cleaning:		
Common parts	306	125
Windows	230	352
Company Administration	15	80
Gardening	415	-
Insurance	803	950
Lift maintenance	2,517	3,023
Repairs & maintenance		
Decorating	-	-
Miscellaneous	300	176
Electricity	624	616
Depreciation	14	17
Accountancy	-	-
Rent	-	-
TOTAL EXPENSES	5,314	5,444
OPERATING PROFIT	811	535
Tax on Operating Profit	--	--
Profit on Ordinary Activities after taxation	811	535
Balance brought forward	4,268	3,733
Balance carried forward	5,080	4,268

The Company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 4 to 6 form part of these financial statements.

RUNDLES COURT MANAGEMENT LIMITED

BALANCE SHEET as at 31ST March 1999

		1999		1998	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	3		80		94
Freehold Property	4		0		0
Current Assets					
Debtors	5	-		125	
Cash at bank and in hand		5,008		4,120	
		<u>5,008</u>		<u>4,245</u>	
Creditors:					
Amounts falling due within one year	6			(63)	
				<u>(63)</u>	
Net current assets			5,008		4,182
Total assets less current liabilities			<u>5,088</u>		<u>4,276</u>
Capital and Reserves:					
Equity share capital	7		8		8
Profit and loss account			5,080		4,268
			<u>5,088</u>		<u>4,276</u>
Shareholders' funds			<u>5,088</u>		<u>4,276</u>

The Directors are satisfied that the Company is entitled to exemption from the provisions of the Companies Act 1985 ("the Act") relating to the audit of the accounts for the year by virtue of Section 249A(1), and that no member or members have requested an audit pursuant to Section 249B(2) of the Act.

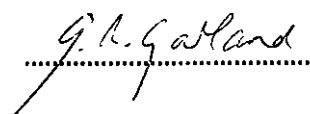
The Directors acknowledge their responsibilities for:

1. ensuring that the Company keeps proper accounting records which comply with S221 of the Act, and
2. preparing accounts 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 financial year in accordance with the requirements of S226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the Company.

These financial statements were approved by the Directors on
and are signed on their behalf by:

1999


Claire Bowden-Dan


G. R. Garland

The notes on pages 4 to 6 form part of these financial statements.

RUNDLES COURT MANAGEMENT LIMITED

Notes to the Financial Statements

Year ended 31st March 1999

1. Accounting Policies

1.1. Basis of Accounting

The financial statements have been prepared under the historical cost convention.

1.2. Cash flow statement

The Directors have taken advantage of the exemption in Financial Reporting Standard No. 1 from including a cash flow statement in the financial statements on the grounds that the Company is small.

1.3. Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

1.4. Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated resale value, over the useful economic life of that asset as follows:

Fixtures and fittings	15% on a written down value
-----------------------	-----------------------------

2. Operating profit

Operating profit is stated after charging

	1999	1998
	£	£
Directors' emoluments	-	-
Depreciation	14	17

No rent has been charged in the current year. The freehold reversion on the leases owned by the tenants, who are also the shareholders of the Company, is owned by the Company.

RUNDLES COURT MANAGEMENT LIMITED

3. Tangible Fixed Assets

	Fixtures and Fittings £
Cost	
At 1 st April 1998 and 1999	369
Depreciation	
At 1 st April 1998	275
Charge for the year	14

At 31 st March 1999	289

Net book value	
At 31 st March 1998	94

At 31 st March 1999	80

4. Freehold

- 4.1. On 19th November 1996 the Company acquired the freehold of the common parts of the development at Rundles Court from the mortgagees in possession of the Landlord for a nominal consideration of £1, which was not required to be paid.
- 4.2. On 10th April 1997 the Company acquired the freehold to the flats comprised in Quarry House from the mortgagees in possession of the Landlord for a nominal consideration of £1, which was not required to be paid.
- 4.3. The Directors do not consider that either parcel of land has any value.

5. Debtors

	1999	1998
	£	£
Service Charge	-	125
	-----	-----
	-	125

RUNDLES COURT MANAGEMENT LIMITED

6. Creditors

Amounts falling due within one year

	£	£
Service charge prepaid	-	125
	-----	-----
	-	125

7. Share Capital

Authorised share capital	1999	1998
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid	8	8

8. Reconciliation of movements in shareholders' funds

	1999	1998
	£	£
Profit for financial year (loss)	811	535
Opening shareholders' equity funds	4,276	3,741
	-----	-----
Closing shareholders' equity funds	5,088	4,276
	-----	-----