

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

Company No. 2231168

ACCOUNTS

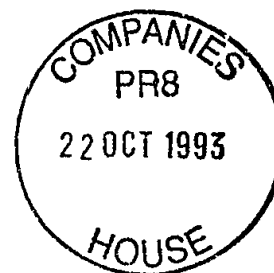
for the year ended

31ST DECEMBER 1992

DEREK WEBSTER & CO.

136 BAKER STREET,

LONDON. W1M 2DU



SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

The directors present their report to the members, together with the annual accounts for the year ended 31st December 1992.

PRINCIPAL ACTIVITY :

The principal activity of the company is administration and management of flats and housing estates, including the management of maintenance and reserve funds.

On 1st January 1992 the above mentioned activity was transferred from the Holding Company and in addition on the same date the company acquired the similar business of Messrs. Tonkin & Tonkin.

DIRECTORS :

The directors of the company and their beneficial interests in shares of the company are set out below. There were no changes in the composition of the board of directors during the year.

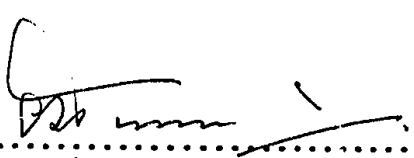
| | 31.12.92 | 31.12.91 |
|-------------|----------|----------|
| C.B. Tonkin | 1,000 | - |
| V.A. Tonkin | 1,000 | - |

AUDITORS :

A resolution to reappoint the auditors will be proposed at the Annual General Meeting.

The directors have taken advantage, in the preparation of their report, of the exemptions applicable to small companies.

Approved by the board of directors on 12.10.93
and signed on their behalf by :


.....
C.B. TONKIN, Director

AUDITORS' REPORT

TO THE MEMBERS OF SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

We have audited the accounts set out on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st December 1992 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.

London - 12th October 1993

Derek Webster & Co.
DEREK WEBSTER & CO.
Chartered Accountants
& Registered Auditors.

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1992

| | Notes | 1992 £ | 1991 £ |
|--|-------|-----------------|------------|
| TURNOVER | | 416,432 | - |
| Administrative Expenses | | (367,177) | - |
| OPERATING PROFIT | 2 | 49,255 | - |
| Interest payable | | (1,109) | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 48,146 | - |
| Tax on profit on ordinary activities | 5 | (13,150) | - |
| PROFIT FOR THE FINANCIAL YEAR on ordinary activities after Taxation | | 34,996 | - |
| Goodwill written-off | 10 | (2,000) | - |
| RETAINED PROFIT carried forward | | <u>£ 32,996</u> | <u>£ -</u> |

There are no recognised gains and losses for 1992 and 1991 other than the profit and loss for the year.

The notes on pages 5 to 8 form an integral part of these accounts.

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1992

| | Notes | ----- 31.12.92 ----- | ----- 31.12.91 ----- |
|--|-------|----------------------|----------------------|
| | | £ | £ |
| FIXED ASSETS : | | | |
| Tangible Assets | 6 | 18,120 | - |
| CURRENT ASSETS : | | | |
| Debtors | 7 | 44,987 | 2 |
| Cash at bank and in hand | | 69,057 | - |
| | | <u>114,044</u> | <u>2</u> |
| CREDITORS : | | | |
| Amounts falling due within one year | 8 | 87,168 | - |
| NET CURRENT ASSETS | | <u>26,876</u> | <u>2</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>£44,996</u> | <u>£ 2</u> |
| CAPITAL AND RESERVES : | | | |
| Called up share capital | 9 | 12,000 | 2 |
| Profit and Loss Account | | 32,996 | - |
| | | <u>£44,996</u> | <u>£ 2</u> |

The directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies, because in the opinion of the directors the company qualifies as such a company.

Approved by the Board of Directors on 12.10.93
and signed on their behalf by :

.....  C.B. TONKIN Director

The notes on pages 5 to 8 form an integral part of these accounts.

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1992

1. ACCOUNTING POLICIES :

Cash Flow Statement :

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Turnover :

Turnover represents fees invoiced excluding VAT.

Depreciation :

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life :

| | |
|----------------------------------|-----------------------|
| Computer Equipment | 33 1/3% straight line |
| Fixtures, Fittings and Equipment | 20% straight line |
| Motor Vehicles | 25% straight line |

Leased Assets :

Operating lease rentals are charged to profit and loss account as incurred.

Pensions :

The company has a defined contribution pension scheme for certain employees. The cost of the contributions made by the company to the scheme are charged to profit and loss account as incurred.

2. OPERATING PROFIT :

| | 1992 | 1991 |
|---|----------------|----------|
| The operating profit is stated after charging : | £ | £ |
| Depreciation on tangible fixed assets | 14,089 | - |
| Operating lease charges : Equipment | 3,697 | - |
| Land & buildings | 9,375 | - |
| Staff costs (Note 3) | 204,135 | - |
| Auditors' remuneration | 2,000 | - |
| | <u>223,296</u> | <u>-</u> |

3. PARTICULARS OF STAFF AND PENSIONS :

Staff costs, including directors remuneration (Note 4), were as follows :

| | 1992 | 1991 |
|-----------------------|----------------|----------|
| | £ | £ |
| Wages and salaries | 177,202 | - |
| Social Security costs | 21,358 | - |
| Other pension costs | 5,575 | - |
| | <u>204,135</u> | <u>-</u> |

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1992

| | | | | |
|--|-----------------------|------------------------------------|-------------------|-----------------|
| 4. DIRECTORS EMOLUMENTS : | 1992 | 1991 | | |
| | £ | £ | | |
| Emoluments for services as directors : | | | | |
| Chairman | 27,000 | - | | |
| Other emoluments | 21,322 | - | | |
| | <u>£ 48,322</u> | <u>£ 38,966</u> | | |
| 5. TAX ON PROFIT ON ORDINARY ACTIVITIES : | 1992 | 1991 | | |
| Corporation Tax at 25% | <u>£ 13,150</u> | <u>£ -</u> | | |
| 6. TANGIBLE FIXED ASSETS : | | | | |
| | Computer Equipment | Office Furniture & Equipment | Motor Vehicles | Total |
| Cost transferred from Holding Company : | £ | £ | £ | £ |
| At 01.01.92 | 36,739 | 16,883 | 25,720 | 79,342 |
| Additions | <u>1,270</u> | <u>4,452</u> | <u>-</u> | <u>5,722</u> |
| At 31.12.92 | <u>38,009</u> | <u>21,335</u> | <u>25,720</u> | <u>85,064</u> |
| Depreciation transferred from Holding Company : | | | | |
| At 01.01.92 | 25,421 | 8,643 | 18,791 | 52,855 |
| Charge for year | <u>6,223</u> | <u>3,907</u> | <u>3,959</u> | <u>14,089</u> |
| At 31.12.92 | <u>31,644</u> | <u>12,550</u> | <u>22,750</u> | <u>66,944</u> |
| Net Book Value : | | | | |
| At 31.12.92 | <u>£ 6,365</u> | <u>£ 8,785</u> | <u>£ 2,970</u> | <u>£ 18,120</u> |
| At 31.12.91 | <u>£11,318</u> | <u>£ 8,240</u> | <u>£16,805</u> | <u>£ 36,363</u> |

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1992

| 7. DEBTORS : | 1992 | 1991 |
|-------------------------------|----------------|------------|
| | £ | £ |
| Trade debtors | 32,372 | - |
| Other debtors and prepayments | 12,615 | 2 |
| | <u>£44,987</u> | <u>£ 2</u> |

| 8. CREDITORS : | 1992 | 1991 |
|---|----------------|------------|
| Amounts falling due within one year : | £ | £ |
| Amount due to Holding Company (Note 11) | 12,565 | - |
| Other Taxes and Social Security | 24,027 | - |
| Other Creditors | 11,000 | - |
| Director's current account | 10,757 | - |
| Corporation Tax (Note 5) | 13,150 | - |
| Accruals | 15,669 | - |
| | <u>£87,168</u> | <u>£ -</u> |

| 9. CALLED UP SHARE CAPITAL : | Ordinary £1 Shares | |
|------------------------------------|--------------------|----------------|
| | 1992 | 1991 |
| Authorised | <u>£20,000</u> | <u>£10,000</u> |
| Allotted, called up and fully paid | <u>£12,000</u> | <u>£ 2</u> |

On 29th December 1991, resolutions were passed to increase the authorised capital to £20,000 and to issue a further 9,998 ordinary shares to the Holding Company for cash. On 16th October 1992 a resolution was passed to issue 2,000 ordinary shares to Mr. C.B. Tonkin and Mrs. V.A. Tonkin in consideration for the acquisition of Messrs. Tonkin & Tonkin.

10. GOODWILL :

The goodwill written-off represents the excess of purchase consideration over net assets acquired arising on the acquisition of Messrs. Tonkin & Tonkin on 1st January 1992 from Mr. C.B. and Mrs. V.A. Tonkin.

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1992

11. HOLDING COMPANY :

The holding company is Holding and Management (Solitaire) Limited incorporated in England number 1649347.

12. FUNDS HELD FOR TENANTS :

The company acts as trustee for sums representing maintenance funds belonging to tenants. In the opinion of the directors these are not part of the groups assets and have been excluded from these accounts.

13. COMMITMENTS :

The company has given an unlimited guarantee to its bank dated 12th November 1992 in favour of the holding company.

Commitments under Operating Leases :

| | Land and Buildings | Other |
|--|-----------------------|----------------|
| Expiring within one year | - | - |
| Expiring in the second to fifth years inclusive | - | 3,568 |
| Expiring in five years or more | 37,500 | - |
| | <u>£37,500</u> | <u>£ 3,568</u> |