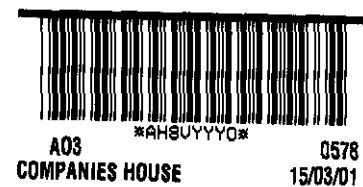


REG NO: 2290692

LANRES LIMITED

FINANCIAL STATEMENTS

28th SEPTEMBER 2000



LANRES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR

ENDED 28th SEPTEMBER 2000

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LANRES LIMITED

1.

DIRECTORS AND PROFESSIONAL ADVISERS

COMPANY NO. 2290692

Directors: Mrs Stella M. Blackwell
John Gibson
Ken Singh
David Bryant (Up to 08/08/00)

Secretary: Andrew Corden

Registered Office: 3 Consfield Avenue
New Malden
Surrey
KT3 6HB

Bankers: Lloyds Bank
Maida Vale Branch
195 Edgware Road
Paddington
London, W2 1EY

Accountants: Accountancy Partners
Solar House
31 Maycross Avenue
Surrey
SM4 4DD

LANRES LIMITEDDIRECTORS' REPORT FOR THE YEAR ENDED 28th SEPTEMBER 2000

The Directors present their financial statements for the year ended 28th September 2000

RESULTS

The company made a profit of £3,207 for the year.

BUSINESS REVIEW

The principal activity of the company continued to be that of the management of 171/189 Lanark Road, Maida Vale and the holding of the freehold of that property. The directors consider the Company's financial position at 28th September 2000 was satisfactory.

VALUATION OF FREEHOLD

No professional revaluation has been made but the Directors are of the opinion that the valuation of the property at 28th September 2000 is not less than the book value.

DIRECTORS AND THEIR INTERESTS

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

	28/09/00	28/09/99
Mrs S M Blackwell	1	1
D Bryant (resigned 08.08.00)	1	1
John Gibson	1	1
Ken Singh	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 affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and the apply them consistently
- make judgments and estimates that are reasonable and prudent
- prepare the accounts 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 responsible 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.

FIXED ASSETS

Movements in fixed assets are set out in note 5 to the accounts.

BY ORDER OF THE BOARD



Secretary

Date: 11/12/2000

ACCOUNTANTS' REPORT TO THE SHAREHOLDER

We have examined, without carrying out an audit, the accounts for the year ended 28th September 2000, prepared under the historical cost convention.

Respective responsibilities of directors and reporting accountant.

As described on page 1 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below, to the shareholders.

Basis of Opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with the Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In our opinion

- a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been properly drawn up in a manner consistent with the accounting requirements specified in section 249c(6) of the Act;
- c) having regard to and on the basis of the information contained in those accounting records the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1) (a) to (f).

Accountancy Partners
Solar House
31 Maycross Avenue
Surrey, SM4 4DD

Date: 10.12.00

LANRES LIMITED**INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 28th SEPTEMBER 2000**

	<u>NOTE</u>	<u>2000</u>	<u>1999</u>
		£	£
Income		14,507	13,779
Administrative Expenses		<u>(11,420)</u>	<u>(21,522)</u>
Operating (Deficit)/Surplus		3,087	(7,743)
Income from investments	2	120	562
Surplus/Deficit on Ordinary Activities before taxation	3	<u>3,207</u>	<u>(7,181)</u>
Tax on Ordinary Activities	4	<u>0</u>	<u>0</u>
Retained Surplus/(Deficit) for the year		3,207	(7,181)
Retained Surplus brought forward		<u>(3,155)</u>	<u>4,026</u>
Retained (Deficit)/surplus carried forward at 28th September 2000		<u><u>52</u></u>	<u><u>(3,155)</u></u>

TOTAL RECOGNIZED GAINS AND LOSSES

The Company has no recognized gains or losses other than the surplus or deficit for the above two financial years.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years

LANRES LIMITED

5.

BALANCE SHEET**AS AT 28th SEPTEMBER 2000**

	<u>NOTE</u>	<u>2000</u>	<u>1999</u>
		£	£
<u>FIXED ASSETS</u>			
Freehold Property	5	2,023	2,023
<u>CURRENT ASSETS</u>			
Debtors	6	2,901	2,421
Cash at Bank and in Hand		8,125	2,316
		<u>11,026</u>	<u>4,737</u>
<u>CREDITORS: Amounts falling due</u>			
within one year	7	<u>(7,925)</u>	<u>4,843</u>
Net Current Assets		<u>3,101</u>	<u>(106)</u>
Net Assets		<u><u>5,124</u></u>	<u><u>1,917</u></u>
<u>FINANCED BY:</u>			
<u>CAPITAL AND RESERVES</u>			
Called up share capital	8	31	31
Share premium		5,041	5,041
Income and Expenditure Account		<u>52</u>	<u>(3,155)</u>
	9	<u><u>5,124</u></u>	<u><u>1,917</u></u>

For the year ended 28th September 1999 the Company is entitle to the exemption conferred by Section 249A(1) of the Companies Act 1985.

No notice has been deposited under Section 249B of the Companies Act 1985 in relation to the financial statement for the year ended 28th September 2000.

The directors acknowledge their responsibilities for

- (i) Ensuring that the company keep accounting records which comply with section 221 of the Companies Act 1985, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the company.

Approved by the board and signed on its behalf by:


Stella Blackwell, Director

Date 11.12.00.....

NOTE TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 28th SEPTEMBER 20001. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

1.1 Accounting conventions

These financial statements are prepared under the historical cost convention.

1.2 Income

This represents the gross amount receivable by way of service charges from the lessees of 171/189 Lanark Road, Maida Vale.

1.3 Depreciation of tangible fixed assets

Tangible fixed assets are depreciated at the following rates which are appropriate to their estimated useful lives:

Freehold buildings	Nil
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1.4 Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

2. INCOME FROM INVESTMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Bank interest receivable	120	562
	£ <u>120</u>	£ <u>562</u>

3. OPERATING SURPLUS/(DEFICIT)

This is stated after charging:

Accountants' fees	£ <u>425</u>	£ <u>400</u>
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4. TAXATION

U.K. Corporation Tax on bank deposit interest
for the year at 10%(1999 : 21%)

£ <u>0</u>	£ <u>0</u>
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NOTE TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 28th SEPTEMBER 2000

	<u>2000</u>	<u>1999</u>
	£	£
5 <u>TANGIBLE FIXED ASSETS</u>		
Cost:		
At 28 September 1999 &	<u>2,023</u>	<u>2,023</u>
At 28 September 2000		
Depreciation:		
At 28 September 1999 &	<u>0</u>	<u>0</u>
At 28 September 2000		
Net book value at		
At 28 September 2000	<u>2,023</u>	<u>2,023</u>
Net book value at		
At 28 September 1999	<u>2,023</u>	<u>2,023</u>
6 <u>DEBTORS</u>	<u>2000</u>	<u>1999</u>
	£	£
Trade Debtors	2,259	1689
Prepayments	642	732
	<u>2,901</u>	<u>2,421</u>
7 <u>CREDITORS - AMOUNTS FALLING DUE</u>	<u>2000</u>	<u>1999</u>
<u>WITHIN ONE YEAR</u>	£	£
Trade Creditors	0	418
Provision for maintenance	4,000	0
Accruals	3,925	4,425
	<u>£ 7,925</u>	<u>£ 4,843</u>
8 <u>SHARE CAPITAL</u>	<u>2000</u>	<u>1999</u>
	£	£
Authorised:		
35 Ordinary shares of £1 each	£ <u>35</u>	£ <u>35</u>
Issued and fully paid:		
Ordinary shares of £1 each	£ <u>31</u>	£ <u>31</u>

LANRES LIMITED**SERVICE CHARGE STATEMENT
FOR THE YEAR ENDED 28th SEPTEMBER 2000**

	2000		1999	
	£	£	£	£
INCOME				
Service charge receivable		13,650		12,775
Ground Rents		350		350
Registration fees		120		111
Licences		18		105
Bank deposit interest		120		562
Other income		370		438
		<hr/>		<hr/>
		14,628		14,341
ADMINISTRATIVE EXPENSES				
Buildings Insurance Premium	2,660		2,101	
Repairs and maintenance	736		16,421	
Provision for maintenance	4,000		0	
Accountancy Fees	425		400	
Management Fee	1,575		2,100	
Legal & Professional Fees	1,199		292	
Cleaning	800		0	
Bank charges	5		0	
Sundry expenses	21		207	
	<hr/>		<hr/>	
TOTAL OVERHEAD EXPENSES		11,420		21,522
		<hr/>		<hr/>
TOTAL SURPLUS/(DEFICIT) FOR THE PERIOD		<u>3,207</u>		<u>(7,181)</u>