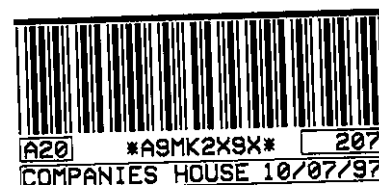


21 RECTORY ROAD RICKMANSWORTH MANAGEMENT LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 31st MARCH 1997

The Directors submit their annual report and the audited accounts of the Company for the year ended 31st March 1997.

1. The principal activity of the Company was management of a Leasehold Property known as 1-17 (No number 13) THE CEDARS on behalf of its tenants.
2. The results for the year are shown in the attached sheets.
3. The Directors recommend that no dividend be paid in respect of the year.
4. The Directors who have served throughout the year were:

Mrs H. Scales
Mr. W.P. Hampton
Ms. M.L. Rose
Mr. C. Miller
Mr. S. Bishop
Mr. R. Goodwin
5. The auditors, Messrs. C. Anthony Wood & Company (Chartered Certified Accountants) have notified their willingness to continue in office.



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 and loss of the Company for that period. In preparing the financial statements, the Directors are required to:-

1. Select suitable accounting policies and apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. State whether applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements.
4. Prepare the financial statements on a going concern basis when it is appropriate 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the above report, the Directors have taken advantage of the special exemptions applicable to small companies.

BY ORDER OF THE BOARD

..... M. L. Rose

Registered Office:

25, Glover Road,
Pinner,
Middlesex HA5 1LQ.

June, 1997.

REPORT OF THE AUDITORS

TO THE MEMBERS OF

21 RECTORY ROAD RICKMANSWORTH MANAGEMENT LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Directors Report the Company's Directors are responsible for the preparation of the 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.

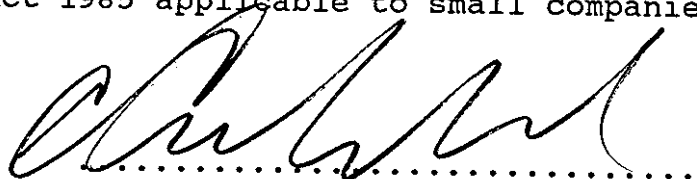
BASIS OF OPINION

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 31st March 1997 and of its Result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



.....
C. ANTHONY WOOD & CO.
Chartered Certified Accountants.
Registered Auditors.

25, GLOVER ROAD,
PINNER,
MIDDLESEX HA5 1LQ.
Tel: 0181-866-8232.
Fax: 0181-868-4670.

June, 1997.

BALANCE SHEET
AS AT 31st MARCH 1997

16	Authorised, Issued and Fully Paid Ordinary Shares	16.00
10,500	<u>REPAIRS & REDECORATION RESERVE</u> (Note 6)	8,977.89
	<u>INCOME AND EXPENDITURE ACCOUNT</u>	
20	SURPLUS per attached account	63.66
<hr/>		<hr/>
£10,536		£9,057.55
=====		=====

.....)
)
 M. L. Rose) DIRECTORS
)
)
) June, 1997.

21 RECTORY ROAD RICKMANSWORTH MANAGEMENT LIMITED

NOTES TO ACCOUNTS

YEAR ENDED 31st MARCH 1997

1. ACCOUNTING POLICIES:

- a) The accounts have been prepared in accordance with the Historical Cost Convention on a basis consistent with previous years.
- b) Contributions are taken to Income and Expenditure Account when received.
- c) Expenses are chargeable equally to all Lessees, except the costs of Entryphone and Interior Cleaning which are not charged to Nos. 1 and 4 with effect from 1.4.96 following a decision taken at the A.G.M. on 31.7.96.

2. TAXATION:

Corporation Tax is payable only on any Interest Received as the Company is not trading with a view to profit.

3. DIRECTORS' REMUNERATION:

No remuneration is paid to the Directors.

4. <u>CURRENT LIABILITIES DUE WITHIN ONE YEAR:</u>	<u>1997</u>	<u>1996</u>
Maintenance	189.00	116
Electricity	32.00	-
Audit & Accountancy	628.63	605
Bank Charges	43.85	44
Sundries	15.00	18
Corporation Tax	-	-
	<hr/>	<hr/>
	£908.48	£783
	=====	===

5. FIXED ASSETS:

The Company does not possess any Fixed Assets.

6. REPAIRS & REDECORATION RESERVE:

Balance brought forward 1.4.96	10,499.62
Transfer from income and expenditure account	2,500.00
Expended on Repairs & Redecoration	(4,021.73)
	<hr/>
Balance carried forward 31.3.97	£8,977.89
	=====

21 RECTORY ROAD RICKMANSWORTH MANAGEMENT LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31st MARCH 1997

7. <u>DEBTORS & PREPAYMENTS:</u>	<u>1997</u>	<u>1996</u>
Share Capital	1.00	1
Entryphone	223.49	217
Insurance	916.67	917
	<hr/>	<hr/>
	£1,141.16	£1,135
	=====	=====

8. POST BALANCE SHEET EVENTS & CONTINGENT LIABILITIES:

The Directors are not aware of any material items which require disclosure.

9. DUE FROM W.E. BLACK LTD (BUILDER)

Due from Builder 1.4.96	218.56
Paid by Builder to Management Company	(350.00)
Recharged to Builder	451.31
	<hr/>
Due from Builder 31.3.97	£319.87
	=====

21 RECTORY ROAD RICKMANSWORTH MANAGEMENT LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1997

<u>1996</u>	<u>INCOME</u>		<u>1997</u>
7,034 =====	Contributions Received		6,660.00
	<u>LESS EXPENSES</u>		
1,925	Maintenance	2,317.76	
95	Electricity	116.53	
605	Audit and Accountancy	628.63	
1,000	Insurance	1,000.00	
211	Bank Charges	172.94	
18	Sundries	39.87	
-	Directors Remuneration	-	
283	Entryphone	292.09	
4,000	Transfer Repairs & Redecoration Reserve (Note 6)	2,500.00	
		<hr/>	
8,137		7,067.82	
		<hr/>	
508	<u>Less:</u> Amount apportioned to Builder	451.31	
		<hr/>	
7,629			6,616.51
			<hr/>
(595)	<u>SURPLUS(DEFICIT) FOR YEAR</u>		(43.49)
615	Add: Surplus forward 1.4.96		20.17
			<hr/>
£ 20 =====	<u>SURPLUS PER BALANCE SHEET</u>		£ 63.66 =====

1. THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE ACCOUNTS.
2. NONE OF THE COMPANY'S ACTIVITIES WERE ACQUIRED OR DISCONTINUED DURING THE ABOVE TWO FINANCIAL YEARS.
3. THE COMPANY HAS NO RECOGNISED GAINS OR LOSSES OTHER THAN THE RESULTS FOR THE ABOVE TWO FINANCIAL PERIODS.