

ELITE HOUSE MANAGEMENT SERVICES LIMITED

2587089.

REPORT AND ACCOUNTS

YEAR ENDED

31ST MARCH 1997

J. B. COUTINHO & CO.
Chartered Accountants
46 Eleanor Road
London N11 2QS



DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH 1997

The director presents the annual report and the audited financial statements of the company for the year ended 31st March 1997.

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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit and loss account shows a profit for the financial year of £ which is added to the retained profits brought forward of £ to give retained profits of £ to be carried forward.

The director does not recommend the payment of a dividend.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity in the year under review continued as that of property managers and managing agents and it is expected that business will improve in the future.

DIRECTORS AND THEIR INTERESTS IN THE SHARE CAPITAL

The director in office during the year under review was Mr. C. R. Owen and he had no interest in the share capital of the company.
Subsequent to the end of the year under review Mr C. R. Owen resigned as a director.

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH 1997 (Continued)

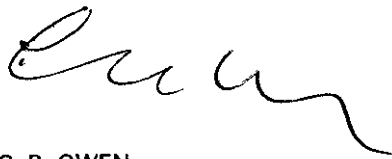
CLOSE COMPANY STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1970 as amended.

AUDITORS

The auditors, Messrs. J. B. Coutinho & Co., chartered accountants, will be proposed for re-appointment in accordance with Section 384(1) of the Companies Act 1985.

By Order of the Board



C. R. OWEN

Director

40-42 Parker Street
London WC2B 5PH

Date :

3/12/98

ELITE HOUSE MANAGEMENT SERVICES LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF ELITE HOUSE MANAGEMENT SERVICES LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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.

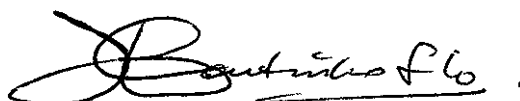
BASIS OF OPINION

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 misstatement, 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 at 31st March 1997 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



J. B. COUTINHO & CO.
Chartered Accountants
and Registered Auditors
46 Eleanor Road
London N11 2QS

Date : 3rd December 1998

ELITE HOUSE MANAGEMENT SERVICES LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1997

		Year ended <u>31.03.97</u>	Year ended <u>31.03.96</u>
	<u>Notes</u>	£	£
Income	2	41,930	44,681
Administrative expenses		(4,029)	(4,116)
Other operational costs		(34,842)	(38,571)
Interest and similar charges		(341)	(342)
Operating profit on ordinary activities before taxation	3	2,718	1,652
Tax on profit on ordinary activities	4	(930)	(800)
Profit for the financial year		1,788	852
Retained profit brought forward		18,361	17,509
Retained profit carried forward		20,149	18,361

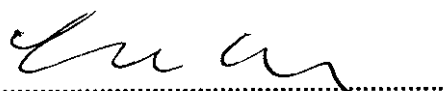
There were no recognised gains or losses for the years ended 31st March 1997 and 31st March 1996 other than those included in the profit and loss account.

The notes on pages 6 to 8 form an integral of this financial statement.

ELITE HOUSE MANAGEMENT SERVICES LIMITEDBALANCE SHEET AS AT 31ST MARCH 1997

		31.03.97	31.03.96
	<u>Notes</u>	£	£
<u>FIXED ASSETS</u>			
Tangible assets	5	3,870	5,140
<u>CURRENT ASSETS</u>			
Debtors		59,540	48,487
Cash at Bank		3,301	6,106
		<u>62,841</u>	<u>54,593</u>
<u>CREDITORS</u>			
Amounts falling due within one year		(46,560)	(41,370)
<u>NET CURRENT ASSETS</u>		<u>16,281</u>	<u>13,223</u>
<u>NET ASSETS</u>		<u>20,151</u>	<u>18,363</u>
<u>CAPITAL AND RESERVES</u>			
CALLED UP SHARE CAPITAL 7		2	2
PROFIT AND LOSS ACCOUNT		20,149	18,361
<u>SHAREHOLDERS' FUNDS</u>	8	<u>20,151</u>	<u>18,363</u>

Approved by the Board of Directors
and signed on its behalf :


..... C. R. OWEN
..... Director
3/12/98 Date

The notes on pages 6 to 8 form an integral part of this financial statement.

ELITE HOUSE MANAGEMENT SERVICES LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 19971 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historic cost convention and are in accordance with applicable accounting standards. Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

(b) Accounts format

The profit and loss account has been adapted from the statutory format so as to suit the nature of the business.

(c) Tangible fixed assets

Fixed asset acquisitions are capitalised at cost.

Depreciation is provided in respect thereof so as to write off each asset over its estimated useful life ; the annual rate used being 25% on written down value.

(d) Deferred taxation

Provision for deferred taxation has not been considered necessary in respect of timing differences between profit as computed for taxation purposes and profit stated in the financial statements.

2 INCOME

The income and profit before taxation are attributable to the one principal activity of the company.

3 OPERATING PROFIT

	Year ended <u>31.03.97</u>	Year ended <u>31.03.96</u>
The operating profit is stated after charging :		
Director's emoluments	4,029	2,955
Auditors' remuneration	2,500	1,600
Depreciation	1,270	1,710
	<hr/>	<hr/>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended <u>31.03.97</u>	Year ended <u>31.03.96</u>
Corporation tax at the rate of 24% on the tax adjusted profit for the year	930	800
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ELITE HOUSE MANAGEMENT SERVICES LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997
(Continued)5 TANGIBLE FIXED ASSETS

	Fixtures, fittings & equipment	Moveable partitions	Total
	£	£	£
<u>Cost</u>			
At 01.04.96 and at 31.03.97	7,703	8,878	16,581
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 01.04.96	5,453	5,988	11,441
Charge for the year	550	720	1,270
	<hr/>	<hr/>	<hr/>
At 31.03.97	6,003	6,708	12,711
	<hr/>	<hr/>	<hr/>
<u>Book value</u>			
At 31.03.97	1,700	2,170	3,870
	<hr/>	<hr/>	<hr/>
At 31.03.96	2,250	2,890	5,140
	<hr/>	<hr/>	<hr/>

6 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31.03.97</u>	<u>31.03.96</u>
	£	£
Creditors and accrued charges	37,540	33,280
Current corporation tax	930	800
Other taxation	8,090	7,290
	<hr/>	<hr/>
	46,560	41,370
	<hr/>	<hr/>

ELITE HOUSE MANAGEMENT SERVICES LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997
(Continued)

7	<u>CALLED UP SHARE CAPITAL</u>	<u>31.03.97</u>	<u>31.03.96</u>
		£	£
	Allotted, issued and fully paid :		
	Ordinary shares of £1 each	2	2
		<hr/>	<hr/>
	Authorised share capital :		
	100 ordinary shares of £1 each	£100	
		<hr/>	

8	<u>MOVEMENT ON SHAREHOLDERS' FUNDS</u>	<u>Year ended</u>	<u>Year ended</u>
		<u>31.03.97</u>	<u>31.03.96</u>
		£	£
	Opening shareholders' funds	18,363	17,511
	Profit for the year	1,788	852
		<hr/>	<hr/>
	Closing shareholders' funds	20,151	18,363
		<hr/>	<hr/>

9 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

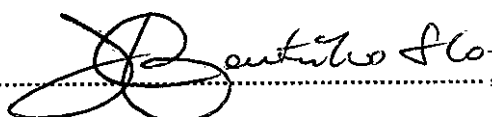
There were no capital commitments or contingent liabilities as at 31st March 1997. (1996 : None/nil).

ELITE HOUSE MANAGEMENT SERVICES LIMITEDINCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1997

	£	£
Service charges receivable		26,809
Costs recoverable and agency commission		15,072
Bank deposit interest		49
		<hr/>
		41,930
Less : Expenditure		
Manager's remuneration	4,029	
Water charges	1,050	
Repairs, renewals and maintenance	3,269	
Pest control	1,193	
Electricity and gas	8,421	
Travelling expenses	205	
Cleaning and supplies	10,713	
Security, alarm and fire prevention costs	35	
Lift maintenance	1,012	
General expenses	1,289	
Audit and accountancy charges	5,000	
Legal charges	1,052	
Bank charges and interest	341	
Fire prevention	333	
Depreciation		
- fixtures and fittings	550	
- partitions	720	
	<hr/>	
		39,212
		<hr/>
<u>Net income in the year</u>		2,718
		<hr/>

ELITE HOUSE MANAGEMENT SERVICES LIMITEDSERVICE CHARGES ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1997

	£	£
Service charges receivable		26,809
Less : Expenditure		
Manager's remuneration and national insurance	4,029	
Repairs, renewals and maintenance	3,269	
Security, alarm and fire prevention costs	35	
Lift maintenance	1,012	
General expenses	795	
Electricity and gas	8,421	
Pest control	1,193	
Cleaning and supplies	10,713	
Water charges	1,050	
Audit and accountancy charges	2,500	
Fire prevention	333	
		33,350
<u>Net deficiency in the year</u>		<u>6,541</u>


J. B. Coutinho & Co.