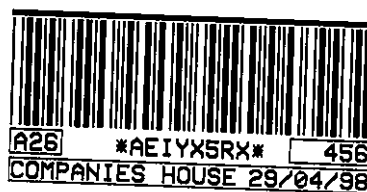


VICTORIA FLATS MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997



VICTORIA FLATS MANAGEMENT LIMITED

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 1997

CONTENTS

Page

1	Company Information
2	Directors' Report
3	Profit and Loss Account
4 - 5	Balance Sheet
6 - 7	Notes to Accounts
8 - 11	Management Information

VICTORIA FLATS MANAGEMENT LIMITED**COMPANY INFORMATION**

DIRECTORS: G Griffiths
N Miles
W Burn

SECRETARY: N J Miles

REGISTERED OFFICE: 38 Victoria Street
Hereford
HR4 0AA

BANKERS: Halifax Building Society
Commercial Street
Hereford

REGISTERED NUMBER: 2944953

VICTORIA FLATS MANAGEMENT LIMITEDDIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 1997

The Directors submit their Report and Financial Statements for the year ended 30 June 1997

PRINCIPAL ACTIVITY

The principal activity of the Company is that of the administration of the maintenance of the flats at 38-48 Victoria Street, Hereford.

DIRECTORS

The Directors who served during the year and the beneficial and family interests of those serving at the end of the year in the shares and debentures of the Company were as follows:-

	Ordinary shares of £1 each 30 June 1997	30 June 1996
G Griffiths	1	1
N Miles	1	1
W Burn	1	1

DIRECTORS' INTERESTS IN CONTRACTS WITH THE COMPANY

No Director is or was interested in any contracts subsisting during or at the end of the financial year which is or was significant in relation to the Company's business.


TAXATION STATUS

In the opinion of the Directors, the Company is a close Company within the meaning of the Income and Corporation Taxes Act 1988.

SMALL COMPANY EXEMPTIONS

In the preparation of these accounts the Company has taken advantage of the special exemptions applicable to small companies.

This report was approved by the Board on 21 April 1998 and signed by order of the Board.


N J Miles

Secretary

VICTORIA FLATS MANAGEMENT LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997

	Note	£	<u>1997</u>	£	£	<u>1996</u>	£
<u>TURNOVER</u>							
Continuing Operations				648			684
Distribution Costs				386			351
				262			333
Other Operating Income	2			13			9
<u>PROFIT ON ORDINARY ACTIVITIES</u>							
<u>BEFORE TAXATION</u>				275			342
Tax on Profit on Ordinary Activities 3				-			(80)
<u>PROFIT ON ORDINARY ACTIVITIES</u>							
<u>AFTER TAXATION</u>				275			422
<u>RETAINED PROFIT BROUGHT FORWARD</u>				656			275
<u>RETAINED PROFIT CARRIED FORWARD</u>				931			656

There were no recognised gains or losses other than those included in the Profit and Loss account.

VICTORIA FLATS MANAGEMENT LIMITEDBALANCE SHEET
AS AT 30 JUNE 1997

	Note	£	<u>1997</u>	£	£	<u>1996</u>	£
<u>FIXED ASSETS</u>							
<u>CURRENT ASSETS</u>							
Debtors	4	108			-		
Cash at Bank and in Hand		829			662		
		937			662		
<u>NET CURRENT ASSETS</u>				937			662
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>				937			662
<u>CAPITAL AND RESERVES</u>							
Called up Share Capital	5			6			6
Reserves							
Profit and Loss Account				931			656
Shareholders' Funds - all equity	6			937			662

VICTORIA FLATS MANAGEMENT LIMITEDBALANCE SHEET
AS AT 30 JUNE 1997 CONT/...

The Directors consider that the Company is entitled to exemption to have an audit under the provisions of 249(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share holding have not issued a notice requiring an audit under section 249B. The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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 section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts were approved by the Board on 21 April 1998 and signed on its behalf.



G Griffiths
Director

VICTORIA FLATS MANAGEMENT LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 30 JUNE 1997**1. ACCOUNTING POLICIES**

The accounting policies adopted by the Company are set out below and are consistent with those previously adopted.

(a) Accounting Convention

The Accounts have been prepared under the Historical Cost Convention.

(b) Cash Flow Statement

The Company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

2. OTHER OPERATING INCOME

	<u>1997</u>	<u>1996</u>
	£	£
Net Building Society Interest	13	9
	<u> </u>	<u> </u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1997</u>	<u>1996</u>
	£	£
Taxation is based on the Profit for the year and comprises:		
Over/Under Provisions in Earlier Years	-	(80)
	<u> </u>	<u> </u>
	-	(80)
	<u> </u>	<u> </u>

4. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Trade Debtors	108	-
	<u> </u>	<u> </u>
	108	-
	<u> </u>	<u> </u>

All debtors are receivable within one year.

5. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised - Equity Shares		
100 Ordinary Shares of £1 each	100	100
	<u> </u>	<u> </u>
Issued - Equity Shares		
6 Ordinary Shares of £1 each fully paid	6	6
	<u> </u>	<u> </u>

VICTORIA FLATS MANAGEMENT LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 19976. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Profit for the Financial year	275	422
Opening Shareholders' Funds	662	240
Closing Shareholders' Funds	<u>937</u>	<u>662</u>

VICTORIA FLATS MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

The attached Financial Statements on the following pages are supplementary to the Statutory Accounts and are provided for the benefit of the Directors and for no other purpose.

VICTORIA FLATS MANAGEMENT LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997

	£	<u>1997</u>	£	£	<u>1996</u>	£
<u>INCOME</u>						
Residents Maintenance Contributions			648			684
<u>Other Trading Income</u>						
Net Building Society Interest			13			9
			<u>661</u>			<u>693</u>
<u>LESS OVERHEADS</u>						
Drains Unblocked		35			-	
Buildings Insurance		333			333	
Annual Return Fee		<u>18</u>			<u>18</u>	
			386			351
<u>NET PROFIT FOR THE YEAR</u>			<u><u>275</u></u>			<u><u>342</u></u>

VICTORIA FLATS MANAGEMENT LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997

	<u>1997</u> £	<u>1996</u> £
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>	275	342
Tax on Profit on Ordinary Activities	-	(80)
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>	275	422
Retained Profit Brought Forward	656	234
	<u>931</u>	<u>656</u>

VICTORIA FLATS MANAGEMENT LIMITEDBALANCE SHEET
AS AT 30 JUNE 1997

	£	<u>1997</u>	£	£	<u>1996</u>	£
<u>FIXED ASSETS</u>						
<u>CURRENT ASSETS</u>						
Trade Debtors		108			-	
Bank Account		829			660	
Cash in Hand		-			2	
		<u>937</u>			<u>662</u>	
<u>CURRENT LIABILITIES</u>						
<u>NET CURRENT ASSETS</u>			937			662
			<u>937</u>			<u>662</u>
<u>CAPITAL & RESERVES</u>						
Called up Share Capital			6			6
Reserves						
Profit and Loss Account			931			656
Shareholders' Funds			<u>937</u>			<u>662</u>