

DIRECTORS' REPORT

Underwood Close Management Company Limited

Company No: 3093869

The directors submit their report and accounts for the period ended 21st August 1999.

Principal Activity

The company's principal activity is that of a management company.

Directors

Directors of the Company during the period and their interests in the share capital of the Company were as follows:-

	<u>Ordinary Shares of One Pound Each</u>	
	<u>21st August 1998</u>	<u>21st August 1999</u>
A M Piper	1	1
J E Dear	1	1
R E Jeffrey	1	1
R E L Woods	1	1

There have been no changes in these interests since the balance sheet date.

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 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 a going concern basis unless it is inappropriate to presume that the Company's business will continue.

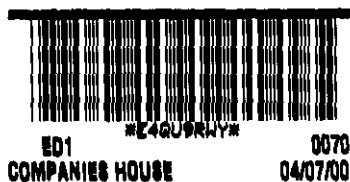
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Exemptions

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

19 / 6 / 2000

J. Dear,
J E Dear
Director



* Profit & Loss Statement *

8/22/98 Through 8/21/99 (in Pounds)

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Category Description	8/22/98- 8/21/99
INCOME	
Int Inc: Gross	10.00
TOTAL Int Inc	10.00
Rent Income: Ground Rent	108.00
TOTAL Rent Income	108.00
TOTAL INCOME	118.00
EXPENSES	
Annual Return Fee	15.00
TOTAL EXPENSES	15.00
TOTAL INCOME - EXPENSES	103.00

J. Deew,
14/6/2000

Balance Sheet
As of 8/21/99 (in Pounds)

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Acct	8/21/99 Balance
ASSETS	
Cash and Bank Accounts Underwood Close	394.71
TOTAL Cash and Bank Accounts	394.71
TOTAL ASSETS	394.71
LIABILITIES & EQUITY	
LIABILITIES	0.00
EQUITY	394.71
TOTAL LIABILITIES & EQUITY	394.71

J. Dear,

19/6/2000

For the year ended 21/8/99 the company was entitled to exemption under Section 249A (1) of the Companies Act 1985.

No notice from members requiring an audit has been deposited under Section 249B(2)

i) The directors acknowledge their responsibility for:

Ensuring the company keeps accounting records which comply with Section 221, and

ii) Preparing accounts which give a true & fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts. So far as applicable to the company.

J. Dear, 3/7/2000.

Underwood Close Management Company Limited

Company No: 3093869

The directors confirm that:-

- a) for the period in question the company was entitled to the exemption conferred by subsection 1 of section 249a.
- b) no notice has been deposited under subsection 2 of section 249B in relation to its accounts for the financial period.
- c) the directors acknowledge their responsibilities for:-
 - i) ensuring that the Company keeps 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 as at the end of the financial period and of its profit and loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with this Act relating to accounts.
- d) advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8, and
- e) in the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company.

These accounts were approved by the directors on 17/6/2000

J E Dear

J. Dear

Register Report
8/22/98 Through 8/21/99 (in Pounds)

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Date	Num	Description	Memo	Category	Clr	Amount
BALANCE 8/21/98						291.71
10/16/98		TSB		Int Inc:Gross		3.38
1/15/99		TSB		Int Inc:Gross		2.85
4/16/99		TSB		Int Inc:Gross		2.02
6/7/99		All Residents		Rent Income:Ground Rent		108.00
6/7/99		Cash		Annual Return Fee		-15.00
7/16/99		TSB		Int Inc:Gross		1.75
TOTAL 8/22/98 - 8/21/99						<u>103.00</u>
BALANCE 8/21/99						394.71
TOTAL INFLOWS						118.00
TOTAL OUTFLOWS						-15.00
NET TOTAL						<u>103.00</u>

J. Dear,
19/6/2000

Underwood Close Mgmt Co Ltd

Underwood Close
6/19/2000

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Date	Num	Transaction	Payment	C	Deposit	Balance
10/16/1998		TSB cat: Int Inc:Gross			3.38	295.09
1/15/1999		TSB cat: Int Inc:Gross			2.85	297.94
4/16/1999		TSB cat: Int Inc:Gross			2.02	299.96
6/7/1999		All Residents cat: Rent Income:Ground Rent			108.00	407.96
6/7/1999		Cash cat: Annual Return Fee	15.00			392.96
7/16/1999		TSB cat: Int Inc:Gross			1.75	394.71

J. Dea,

19/6/2000