

MARINE PARADE MANAGEMENT LIMITED

Company Number 1119310

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

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COMPANIES HOUSE 27/03/97

JUSTICE & CO.
Chartered Accountants

MARINE PARADE MANAGEMENT LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 31ST DECEMBER 1996

The directors present herewith their report together with the financial statements of the company for the year ended 31st December 1996.

REVIEW OF ACTIVITIES

The principal activity of the company is the collection of service charges from the leaseholders of Fitzhardinge House, 84/85 Marine Parade, Brighton, and discharging from those funds the costs of common maintenance of the premises, on a non profit making basis.

The maintenance fund is as stated on page 5, and the directors consider the state of affairs of the company to be satisfactory.

A provision for works required on the roof has been set-up as described in Note 3 to the financial statements.

The company is planning to acquire the freehold of the property in 1997 (see Note 4 to the financial statements).

DIRECTORS

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

Ordinary Shares of £1 each

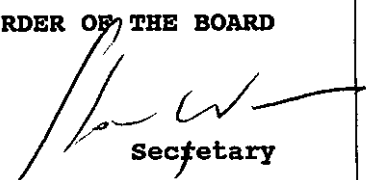
	<u>31st December 1996</u>	<u>31st December 1995</u>
C. Stephens	1	1
R.A. Jones	1	1
Mrs.H. Nalecz	1	1
W.B. Haase	1	1
Mrs.L. Lester-George	1	1
Mr.B. Wood	1	1
F. Ward	1	1
D.B. Stuart	1	1
D. Noel-Paton	1	1
Mrs. L. Bruce	1	1
Dr. M.A. Hooker	1	1
Mrs. B. Findlay	1	1
C. Webber	1	1
Mrs. Winters	1	1

AUDITORS

The auditors, Messrs. Justice & Co., are willing to continue in office and offer themselves for re-election at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

12.3.97


 Secretary

MARINE PARADE MANAGEMENT LIMITED

DIRECTORS' RESPONSIBILITIES & REPORT OF THE AUDITORS

Statement of directors' responsibilities

The directors are obliged under company law to prepare financial statements for each financial year.

The directors are satisfied that these financial statements give a true and fair view of the state of affairs of the company as at 31st December 1996 and of the results for the year then ended.

These financial statements have been prepared by the directors on the going concern basis, using suitable accounting policies consistently applied. Applicable accounting standards have been followed.

The directors are satisfied that adequate accounting records have been maintained in order to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors' Report to the Shareholders of Marine Parade Management Limited

We have audited the financial statements on pages 3 to 6 in accordance with auditing standards.

Respective responsibilities of directors and auditors

As described above, 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 (if any), 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 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 December 1996 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Justice + Co

Chartered Accountants
and Registered Auditor

72, Poulters Lane,
WORTHING,
West Sussex,
BN14 7SZ.

12th March 1997

MARINE PARADE MANAGEMENT LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1996

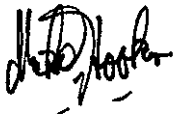
	£	<u>1996</u>	£	£	<u>1995</u>	£
<u>INCOME</u>						
Ground Rent Receivable			540			540
<u>EXPENDITURE</u>						
Ground Rent Payable	560			560		
Audit Fee	130			130		
Company Registration Fee	18			18		
			708			708
Operating Deficit			(168)			(168)
<u>OTHER INCOME</u>						
Bank Deposit Interest Received			-			32
(DEFICIT) FOR THE YEAR, before taxation			(168)			(136)
Corporation Tax			-			(49)
(DEFICIT) FOR THE YEAR, after taxation			(168)			(185)
(Deficit)/Surplus brought forward			(19)			166
(Deficit) carried forward			£ (187)			£ (19)

Notes

1. The company made no recognised surplus or deficit in 1996 or 1995 other than those shown above or in the Maintenance Fund (page 5).
2. All income or expenditure in either the Profit and Loss Account above or in the Maintenance Fund (page 5) are derived from continuing operations.

MARINE PARADE MANAGEMENT LIMITEDBALANCE SHEETAS AT 31ST DECEMBER 1996

	£	1996	£	1995	£
<u>FIXED ASSET</u>					
Long Leasehold Property			275		275
<u>CURRENT ASSETS</u>					
Service Charges and Ground					
Rents Receivable		1,728		1,442	
Cash at Bank		15,692		953	
		<u>17,420</u>		<u>2,395</u>	
<u>CREDITORS- AMOUNTS FALLING DUE</u>					
<u>WITHIN ONE YEAR</u>					
Sundry Creditors		1,916		4,491	
Provision for Major Works (Note 3)		6,000		-	
Contributions received towards					
purchase of Freehold (Note 4)		9,286		-	
		<u>17,202</u>		<u>4,491</u>	
<u>NET CURRENT ASSETS/(LIABILITIES)</u>			218		(2,096)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>£ 493</u>		<u>£ (1,821)</u>
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital					
Ordinary Shares of £1 each:					
Authorised		£ 100		£ 100	
Allotted, Issued and Fully Paid			15		15
Maintenance Fund Account			665		(1,817)
Profit and Loss Account			(187)		(19)
			<u>£ 493</u>		<u>£ (1,821)</u>



 Director

 On behalf of Marine Parade Management Limited

12.3.97

The financial statements were approved by the Board on 12th March 1997

MARINE PARADE MANAGEMENT LIMITEDMAINTENANCE FUND INCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1996

	<u>1996</u>		<u>1995</u>	
	£	£	£	£
<u>INCOME</u>				
Service Charges Receivable		17,377		15,807
<u>EXPENDITURE</u>				
Expenditure on Building				
Lighting and Power	229		245	
Cleaning, Gardening and Minor Maintenance	1,470		1,303	
Building and Lift Insurance	2,685		2,685	
General Repairs	2,535		4,583	
Major Works to Property	-		8,832	
Lift - Service and Repairs	114		2,025	
Entryphone Rental and Repairs	144		83	
Provision for Major Works	6,000		-	
	<u>13,177</u>		<u>19,756</u>	
Other Expenditure				
Management Fees	1,528		2,898	
Accountancy Fees	145		145	
Legal and Professional Fees	-		614	
Bank Charges	45		-	
Sundries	-		72	
	<u>1,718</u>		<u>3,729</u>	
Total Expenditure		<u>14,895</u>		<u>23,485</u>
<u>SURPLUS/(DEFICIT) FOR THE YEAR</u>		<u>2,482</u>		<u>(7,678)</u>
(Deficit)/Surplus brought forward		<u>(1,817)</u>		<u>5,861</u>
Surplus/(Deficit) carried forward		<u>£ 665</u>		<u>£ (1,817)</u>

MARINE PARADE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. TAXATION

The company is liable to Corporation Tax at 25% on bank interest received.

3. PROVISION FOR MAJOR WORKS

The board of directors have authorised that the rooves be either repaired or replaced. In order to finance this, lessees have contributed towards this specific project and the amount that had been demanded at 31st December 1996 was £ 6,000.

4. PURCHASE OF FREEHOLD: POST BALANCE SHEET EVENT

The directors have authorised the purchase of the freehold of 84/85, Marine Parade, Brighton, by the company from the existing freeholder. The purchase price, including fees, is expected to be £ 9,400. In order to finance this purchase which is expected to take place in 1997, most of the shareholders have made a contribution which will be treated as a share premium once the purchase has been completed.