

MARINE PARADE MANAGEMENT LIMITED

Company Number 1119310

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

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JUSTICE & CO.
Chartered Accountants



MARINE PARADE MANAGEMENT LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 31ST DECEMBER 1998

The directors present herewith their report together with the financial statements of the company for the year ended 31st December 1998.

Principal Activity

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.

Directors

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

	<u>Ordinary Shares of £1 each</u>	
	<u>At 31.12.98</u>	<u>At 1.1.98</u>
R.A. Jones	1	1
Mrs. B. Findlay	1	1
Mrs.H. Nalecz	1	1
W.B. Haase	1	1
Mrs.L. Lester-George	1	1
Dr. M.A. Hooker	1	1
C.V. Webber	1	1
D.B. Stuart	1	1
D. Noel-Paton	-	1
A. Slater	1	1
J. Hetherington	1	1

Auditors

Messrs. Justice & Co. have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

Small Company Rules

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting standard for Smaller Entities.

BY ORDER OF THE BOARD



Secretary

8.3.99

MARINE PARADE MANAGEMENT LIMITED

DIRECTORS' RESPONSIBILITIES & REPORT OF THE AUDITORS

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 surplus or deficit of the company for that year.

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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' Report to the Members of Marine Parade Management Limited

We have audited the financial statements on pages 3 to 6 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

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 1998 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

Justice + Co

Chartered Accountants
and Registered Auditor

8th March 1999

MARINE PARADE MANAGEMENT LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1998

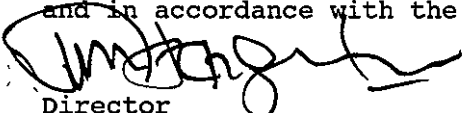
	<u>1998</u>		<u>1997</u>	
	£	£	£	£
Income				
Sundry Income		-		41
Expenditure				
Ground Rent Payable	-		58	
Audit Fee	130		130	
Company Registration Fee	15		15	
Leasehold Purchase cost written off	-		275	
		145		478
Operating (Deficit)		(145)		(437)
Bank Interest Received		234		1,001
Surplus for the Year, before taxation		89		564
Taxation (Note 2)		(56)		(210)
Surplus for the Year, after taxation		33		354
Surplus/(Deficit) brought forward		167		(187)
Surplus carried forward		£ 200		£ 167

The company made no recognised surplus or deficit in 1998 or 1997 other than those shown above or in the Maintenance Fund (page 5).

MARINE PARADE MANAGEMENT LIMITEDBALANCE SHEETAS AT 31ST DECEMBER 1998

	£	1998	£	1997	£
Fixed Asset					
Freehold Property, at cost			9,800		9,800
Current Assets					
Service Charges and Ground					
Rents Receivable		1,800		874	
Prepaid Expenditure		769		736	
Cash at Bank		5,485		45,299	
		<u>8,054</u>		<u>46,909</u>	
Creditors: Amounts falling due within one year					
Maintenance Contributions received in advance		377		372	
Sundry Creditors		4,535		16,490	
Taxation		49		152	
Provision for Major Works (Note 3)		-		20,737	
		<u>4,961</u>		<u>37,751</u>	
Net Current Assets			3,093		9,158
Total Assets less Current Liabilities			<u>£ 12,893</u>		<u>£ 18,958</u>
Capital and Reserves					
Called Up Share Capital					
Ordinary Shares of £1 each:					
Authorised		<u>£ 100</u>		<u>£ 100</u>	
Allotted, Issued and Fully Paid			15		15
Share Premium Account (Note 4)			10,000		10,000
Profit and Loss Account			200		167
Shareholder's Funds			<u>10,215</u>		<u>10,182</u>
Maintenance Fund (Page 5)			<u>2,678</u>		<u>8,776</u>
			<u>£ 12,893</u>		<u>£ 18,958</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.



Director

On behalf of Marine Parade Management Limited

The financial statements were approved by the Board on

8 March 1999

MARINE PARADE MANAGEMENT LIMITEDMAINTENANCE FUND INCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1998

	£	1998	£	£	1997	£
Income						
Service Charges Receivable			17,720			57,947
Expenditure						
Expenditure on Building						
Lighting and Power		273			176	
Cleaning, Gardening						
and Minor Maintenance		3,091			2,165	
Building and Lift Insurance		2,460			2,320	
General Repairs		1,852			2,450	
Major Works to Property		31,747			25,263	
Lift - Service and Repairs		3,088			847	
Entryphone Rental and Repairs		153			147	
Provision for Major Works		(20,737)			14,737	
		<u>21,927</u>			<u>48,105</u>	
Other Expenditure						
Management Fees		1,665			1,528	
Accountancy Fees		150			145	
Bank Charges		76			58	
		<u>1,891</u>			<u>1,731</u>	
Total Expenditure			23,818			49,836
(Deficit)/Surplus for the Year			(6,098)			8,111
Surplus brought forward			8,776			665
Surplus carried forward			<u>£ 2,678</u>			<u>£ 8,776</u>

MARINE PARADE MANAGEMENT LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST DECEMBER 1998**1. Accounting Policies****(a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention.

(b) Depreciation

In accordance with the FRSSE, no depreciation is provided in respect of the freehold property. This may be a departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated. In the opinion of the directors this departure is necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards, as the property is included in the financial statements at its open market value.

2. Taxation

	<u>1998</u>	<u>1997</u>
Corporation Tax at the rate of 21% (1997 - 21%)	£ 49	£ 153
Underprovision for previous year	7	-
	<u>£ 56</u>	<u>£ 153</u>

3. Provision for Major Works

Balance at 1st January 1998	£ 20,737	£ 6,000
Transfer (to)/from Maintenance Fund Income and Expenditure Account	<u>(20,737)</u>	<u>14,737</u>
Balance at 31st December 1998	<u>£ -</u>	<u>£ 20,737</u>

4. Purchase of Freehold and Share Premium Account

The company purchased the freehold of 84/85 Marine Parade, Brighton, in January 1997.

In order to finance this purchase, the 14 shareholders made a contribution of £ 714 each and this contribution has been treated as a share premium.