14 THE RIDGEWAY MANAGEMENT COMPANY LIMITED

REGISTRATION NUMBER 1803721

FINANCIAL STATEMENTS

- for the year ended -

30TH JUNE 1997



FORD BULL WATKINS
Clerks' Well House,
20 Britton Street,
London, EC1M 5NQ.

14 THE RIDGEWAY MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30th June 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the year was that of residential property management and the whole of the income and expenditure was attributable to this activity.

The results for the year are set out in the annexed accounts. The directors consider the Company's financial position at the year end to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares 1997	1996
S R Noble	Ordinary shares	1	1
M Ross-Jones	Ordinary shares	1	1

CLOSE COMPANY

The company is not a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Ford Bull Watkins, are willing to be re-appointed in accordance with section 384 of the Companies Act 1985.

By Order of the Board

Sidney R. Noble.

S R NOBLE

Secretary

Date: 12th September 1997

14 THE RIDGEWAY MANAGEMENT COMPANY LIMITED

FOR THE YEAR ENDED 30TH JUNE 1997

DIRECTORS' RESPONSIBILITIES
in respect of the preparation of financial statements

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the Company's affairs and of its profit or loss 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 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 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.

4 Fiona Court,
14 The Ridgeway,
Enfield,
Middlesex, EN2 8QH.

12th September 1997

AUDITORS' REPORT TO THE MEMBERS OF 14 THE RIDGEWAY MANAGEMENT COMPANY LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historic cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and auditors
As described on page 2 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 30th June 1997 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

FORD BULL WATKINS
Chartered Accountants
Registered Auditor

Clerks' Well House,
20 Britton Street,
London, EC1M 5NQ.

12th September 1997

14 THE RIDGEWAY MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1997

	1997		1996	
	£	£	£	£
INCOME				
Service charges recoverable		5,145		4,742
Bank deposit interest		25		48
		5,170		4,790
OPERATING EXPENDITURE				
Garden maintenance	1,008		980	
Window cleaning	360		280	
Insurance	1,512		1,464	
Rental of entry phone	270		263	
Light and heat	18		50	
Cleaning	486		491	
Repairs and maintenance	360		444	
Printing, postage and stationery	54		46	
Roof repairs	78		233	
Redecorating	1,334		1,346	
Legal and professional charges	468		-	
Audit fees	494		447	
Bank charges	29		29	
General expenses	32		63	
		6,503		6,136
EXCESS OF INCOME OVER EXPENDITURE		(1,333)		(1,346)
Transfer from Contingency Fund		1,334		1,346
RETAINED PROFITS CARRIED FORWARD		£ 1		£ -

The notes on pages 6 to 7 form part of these financial statements

14 THE RIDGEWAY MANAGEMENT COMPANY LIMITED

BALANCE SHEET AT 30TH JUNE 1997

	Notes	1997 £	1997 £	1996 £	1996 £
CURRENT ASSETS					
Debtors	4	1,295		666	
Cash at bank and in hand		3,464		2,826	
		4,759		3,492	
CREDITORS: Amounts falling due within one year	5	2,027		626	
NET CURRENT ASSETS			2,732		2,866
NET ASSETS			£ 2,732		£ 2,866
CAPITAL AND RESERVES					
Called up share capital	6		12		12
Contingency fund			2,720		2,854
SHAREHOLDERS' FUNDS			£ 2,732		£ 2,866

The financial statements were approved by the board on 12th September 1997 and signed on its behalf by

M ROSS-JONES M Ross Jones)
S R NOBLE Sidney R. Noble) Directors

The notes on pages 6 to 7 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1997

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents service charges which are made on a basis sufficient to recover the expenditure incurred on maintenance of the property during the year.

2. OPERATING EXPENDITURE

	1997 £	1996 £
The operating expenditure is stated after charging:-		
Auditors' remuneration	494	447

3. INCOME FROM INVESTMENTS

	1997 £	1996 £
Other interest receivable	25	48
	£ 25	£ 48

Interest is shown net after deduction of corporation tax in the sum of £8 (1996 £16) at the rate of 24%(1996 25%).

4. DEBTORS

	1997 £	1996 £
Trade debtors	210	215
Other debtors	740	115
Prepayments and accrued income	345	336
	£ 1,295	£ 666

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1997

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Corporation tax	8	16
Other creditors	(1)	-
Accruals and deferred income	2,020	610
	£ 2,027	£ 626

6. SHARE CAPITAL

	1997 £	1996 £
Authorised		
12 Ordinary shares of £1 each	12	12
	£ 12	£ 12
Allotted, called up and fully paid		
12 Ordinary shares of £1 each	12	12
	£ 12	£ 12

There were no movement in shareholders' funds.

7. CONTINGENCY FUND

	1997 £	1996 £
Balance at 1st July 1996	2,854	3,000
Additions collected	1,200	1,200
	4,054	4,200
Transfer to profit and loss account	(1,334)	(1,346)
Balance at 30th June 1997	£ 2,719	£ 2,854

Aounts collected to cover unexpected expenditure and to provide for future major maintenance expenditure are credited to a separate contingency fund. Transfers to the income and expenditure account are made when required.