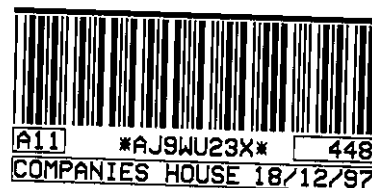


RIVIERA COURT MANAGEMENT COMPANY LTD

COMPANY NUMBER: 02640607

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1997



NEWTON, MAGNUS & COMPANY
ACCOUNTANTS

Arrowsmith Court
Station Approach
Broadstone
Dorset BH18 8AT



RIVIERA COURT MANAGEMENT COMPANY LTD

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1997

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RIVIERA COURT MANAGEMENT COMPANY LTD

DIRECTORS REPORT

Directors: R Humphrey
R V Barford
R R Cumming

Secretary: F I Rodker

Registered Office: Burns Property Management
144 Holdenhurst Road, Bournemouth, Dorset BH8 8AS

The Directors present their Annual Report and Financial Statements for the year ended 31st March 1997.

ACTIVITIES

The principal activities of the Company continued to be the management and maintenance of Riviera Court, The Esplanade, Canford Cliffs, Dorset.

DIRECTORS

The Directors who served during the year under review, together with their interest in the capital of the company, were as follows:-

	£1 Ordinary Shares	
	<u>31.3.1997</u>	<u>31.3.1996</u>
R Humphrey	2	2
R V Barford	2	2
R R Cumming	2	2

RIVIERA COURT MANAGEMENT COMPANY LTD

DIRECTORS REPORT - Continued

DIRECTORS RESPONSIBILITIES

- 1 In compliance with legal requirements, the directors have prepared financial statements for the year ended 31st March 1997 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 the surplus for the year ended on that date.
- 2 The financial statements have been prepared in accordance with the applicable accounting standards.
- 3 The directors report that the business is a going concern.
- 4 The directors have adopted suitable accounting policies which have been consistently applied in the preparation of the financial statements for the year ended 31st March 1997 and these have been supported by reasonable and prudent judgements and estimates.
- 5 The directors are responsible for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities

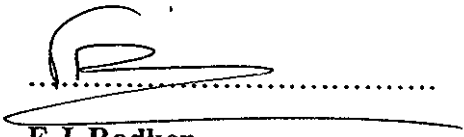
AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Newton, Magnus & Company as auditors of the Company will be put to the Annual General Meeting.

SMALL COMPANIES

The directors report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



F I Rodker
Secretary

RIVIERA COURT MANAGEMENT COMPANY LTD

AUDITORS REPORT TO THE MEMBERS OF

RIVIERA COURT MANAGEMENT COMPANY LTD

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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.

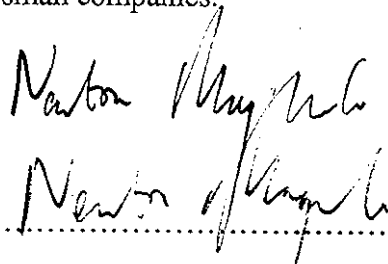
Basis of opinion

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 financial affairs at 31st March 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



NEWTON, MAGNUS & COMPANY

REGISTERED AUDITORS

Arrowsmith Court
Station Approach
Broadstone
Dorset BH18 8AT

7th August 1997

Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

RIVIERA COURT MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
<u>FIXED ASSETS</u>			
Freehold interest	5	-	-
<u>CURRENT ASSETS</u>			
Debtors and prepayments		1,574	1,768
Lloyds bank account		12,036	9,936
		<u>13,610</u>	<u>11,704</u>
<u>CREDITORS - amounts falling due within one year</u>			
Sundry creditors and accruals		1,123	787
Maintenance contributions in advance		4,158	6,583
Sinking fund contributions in advance		750	1,188
		<u>6,031</u>	<u>8,558</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>£7,579</u>	<u>£3,146</u>
<u>REPRESENTED BY:</u>			
<u>CAPITAL AND RESERVES</u>			
Called up share capital	3	53	53
Reserves	6	7,526	3,093
<u>MEMBERS FUNDS</u>	4	<u>£7,579</u>	<u>£3,146</u>

The accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These accounts were approved by the Board of Directors on the 1st August 1997 and signed on its behalf.

Approved by:  R. Humphrey Director

The notes on pages 5 & 6 form part of these accounts.

RIVIERA COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST MARCH 1997

1 STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared in accordance with the accounting concepts set out in the Statement of Standard Accounting Practice No 2 issued by the Institute of Chartered Accountants in England and Wales. The accounting policies adopted by the Company are set out as part of these notes and unless otherwise specifically stated have been consistently applied for the current and preceding years.

The Company has relied upon the exemption available under Financial Reporting Standard no 1, not to prepare a cash flow statement on the grounds that it qualifies as a small company.

2 TAXATION

	<u>1997</u>	<u>1996</u>
	£	£
Corporation tax at 24% on bank interest received	57	37
	—	—

3 SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
<u>Authorised</u>		
53 Ordinary Shares of £1 each	53	53
	—	—
<u>Issued and fully paid</u>		
53 Ordinary Shares of £1 each	53	53
	—	—

4 RECONCILIATION OF SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Opening shareholders funds	3,146	571
Surplus for the year	4,433	2,575
	—	—
Closing shareholders funds	7,579	3,146
	—	—

RIVIERA COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31ST MARCH 1997

5 FREEHOLD PROPERTY

The company has had to bear the cost of legal fees relating to the freehold transfer document. These legal fees of £172.30 have been written off to the income and expenditure account as in the directors opinion the freehold property has nil value due to leasehold encumbrances.

The freehold interest of Riviera Court has been transferred to the management company from the developers at no cost to the company.

6 RESERVES

	<u>Sinking Fund</u>	<u>General Reserve</u>	<u>Total</u>
	£	£	£
Brought forward	6,500	(3,407)	3,093
Transfers during year	(1,919)	1,919	-
Allocation of surplus for year	3,250	1,183	4,433
	—	—	—
Closing balance	7,831	(305)	7,526
	—	—	—

Sinking fund contributions relate to that part of flat owners contributions which formerly related to ground rent before the freehold was purchased 31st October 1994.

The transfer in the year reflects a correction made to year ended 31st March 1995 for the period prior to when the freehold was owned.

RIVIERA COURT MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31ST MARCH 1997

	Notes	1997 £	1996 £
<u>INCOME</u>			
Maintenance contributions		18,018	18,018
Sinking fund contributions		3,250	3,250
Bank interest (gross)		240	148
Other income		51	38
Insurance claim		2,660	-
		24,219	21,454
<u>EXPENDITURE</u>			
Fire alarm repairs and alterations		174	361
Window cleaning		1,387	1,387
Cleaning		695	638
Gardening		1,316	1,416
Electricity		1,749	3,012
Repairs and renewals to buildings		3,832	2,584
Satellite TV and maintenance		1,032	905
Insurance		2,914	3,329
Lift maintenance and repairs		1,469	210
Water rates		37	41
Auditors remuneration		599	885
Managing agents fees		2,123	2,078
Sundry expenses		1,228	104
Company filing fee		-	18
Landscaping		-	1,034
Bank charges		29	129
Legal and professional fees		1,145	711
		19,729	18,842
<u>SURPLUS FOR THE YEAR before taxation</u>			
		4,490	2,612
Taxation	2	57	37
<u>SURPLUS FOR THE YEAR after taxation</u>			
		4,433	2,575
Balance on reserve fund brought forward		3,093	518
<u>BALANCE ON RESERVE FUND as per balance sheet</u>			
		£7,526	£3,093

The company has no recognised gains or losses other than the surplus for the year.
None of the company's activities were acquired or discontinued during the year.