

BRODIE HOUSE MANAGEMENT LIMIT

REPORT OF THE DIRECTORS



The Directors present their report and the audited financial statements of the company for the period ended 28th September 1995.

PRINCIPAL ACTIVITIES

The principal activities of the company during the period continued to be those of the Management and Administration of the property known as Brodie House, 10 Harcourt Avenue, Wallington, Surrey SM6 8AR for the benefit of the Lessees.

REVIEW OF THE BUSINESS

The results for the period are set out on page 4. These show that the (deficit) for the period after taxation amounted to £3654, and the directors recommend this amount be transferred from Reserves.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company who held office during the period and at 28th September 1995 and their interests in the Share Capital of the Company, at the beginning and at the end of the year were as follows:

	No of Ordinary £10 Shares	
	<u>28.09.1995</u>	<u>01.08.1994</u>
P E Cole	1	1
A C Farmer	1	1
G P Fradd	1	1
M A Gouldstone	1	1
D A James	1	1
P J Matter	1	1
E B Micklewright	1	1
M L Paddon	1	1
L J Sims	1	1
P E Sims	1	1
K J Smith	1	1
I R Thompson	1	1
J L Warner	1	-
M C Young	1	1
S A Freeman	-	1

AUDITORS

A resolution proposing the appointment of Brooks & Co. as auditors to the company will be put to the Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

By order of the Board

E. B. Micklewright
 E B Micklewright - Secretary

Date: 23rd April 1996

BRODIE HOUSE MANAGEMENT LIMITED

PERIOD ENDED 28TH SEPTEMBER 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law required 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 deficit or surplus 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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
BRODIE HOUSE MANAGEMENT LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical 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

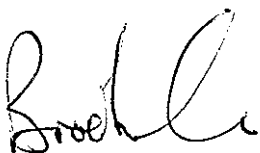
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, 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 28th September 1995 and of its deficit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



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Brooks & Co
Chartered Accountants
Registered Auditors

Suite 3PM, Mid-Day Court,
20-24 Brighton Road,
Sutton, Surrey, SM2 5BN

Date: 23rd April 1996

BRODIE HOUSE MANAGEMENT LIMITED**INCOME & EXPENDITURE ACCOUNT****FOR THE 14 MONTHS ENDED 28TH SEPTEMBER 1995**

	Notes	<u>28.09.1995</u>	<u>31.07.1994</u>
		£	£
TURNOVER	1(d)	13689	13688
Administrative Expenses		(17464)	(12164)
OPERATING (DEFICIT)/SURPLUS		<u>(3775)</u>	<u>1524</u>
Interest Receivable	8	161	164
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES		<u>(3614)</u>	<u>1688</u>
Before Taxation			
Taxation	9	(40)	16
(DEFICIT)/SURPLUS for the financial period/year		<u>(3654)</u>	<u>1704</u>
Balance brought forward as restated	6	7607	5903
BALANCE CARRIED FORWARD		<u><u>3953</u></u>	<u><u>7607</u></u>

All income and operating deficit derive from continuing operations.

The company has no recognised gains or losses other than the results for the period.

A reconciliation of movements in shareholders' funds is provided in Note 7 to the Financial Statements.

BRODIE HOUSE MANAGEMENT LIMITED
BALANCE SHEET AS AT 28TH SEPTEMBER 1995

	Notes	<u>18.09.1995</u>	<u>31.07.1995</u>
		£	£
FIXED ASSETS			
Tangible Assets	2	1	1
CURRENT ASSETS			
Stock of Entryphone Keys		1	1
Building Society Account		5715	5594
Agents Cash Account		26534	5825
Cash in Hand		137	134
Debtors and prepayments	3	2489	1536
		<u>34876</u>	<u>13090</u>
CREDITORS - Amounts falling due within one year			
Creditors	4	3728	2173
Accruals and Deferred Income	5	26876	2991
		<u>30604</u>	<u>5164</u>
NET CURRENT ASSETS		<u>4272</u>	<u>7926</u>
NET ASSETS		<u>4273</u>	<u>7927</u>
CAPITAL AND RESERVES			
Authorised Ordinary Shares of £10 each		320	320
Allotted, Called Up and Fully-paid Share Capital		320	320
Income and Expenditure Account		3953	7607
Shareholders' Funds	7	<u>4273</u>	<u>7927</u>

Signed on behalf of the Board

I R Thompson
 I R Thompson - Director

Date: 23rd April 1996

BRODIE HOUSE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28TH SEPTEMBER 1995**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

a) Basis of accounting

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

b) Depreciation

Tangible fixed assets are written off over their estimated useful lives as follows:-

Entryphone System	20% p.a. on reducing balance
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c) Taxation

Corporation Tax is provided on interest received

d) Turnover

Turnover represents contributions from lessees for the maintenance and upkeep of the property.

e) Stock

Stock of Entryphone Keys which have little value until sold to lessees, have been stated at a nominal value of £1.

2. TANGIBLE FIXED ASSETS

	<u>Entryphone System</u>
COST	£
At 01.08.1994	2883
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At 28.09.1995	2883
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DEPRECIATION	
At 01.08.1994	2882
Charge in the period	-
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	2882
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NET BOOK VALUE	
At 01.08.1994	1
	<hr/> <hr/>
At 28.09.1995	1
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BRODIE HOUSE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28TH SEPTEMBER 1995**

3. DEBTORS

	<u>28.09.1995</u>	<u>31.07.1994</u>
	£	£
Electricity Recoverable	235	166
Fire Extinguisher Contract	76	95
Entryphone Contract	166	166
Refund due from Decorwise	-	131
Contributions due from Lessees	2012	978
	<u>2489</u>	<u>1536</u>

4. CREDITORS

Window Cleaning	63	81
Gardening	100	82
Cleaning	150	-
Audit and Accountancy 1993	-	2000
Audit and Accountancy 1994	2334	-
Entryphone	-	8
Management Fees	611	-
Contributions paid in Advance	470	2
	<u>3728</u>	<u>2173</u>

5. ACCRUALS AND DEFERRED INCOME

Communal Electricity	101	95
Management Fees	-	1426
Audit and Accountancy - 1994	-	1470
Audit and Accountancy - 1995	411	-
Re-Roofing Contributions	26364	-
	<u>26876</u>	<u>2991</u>

Included in Accruals and Deferred Income for the period ended 28.09.1995 is an amount of £26364 provided for Re-roofing, the expenditure for Re-roofing will not take place until after 28.09.1995.

BRODIE HOUSE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28TH SEPTEMBER 1995**

6. PRIOR YEAR ADJUSTMENTS TO INCOME AND EXPENDITURE ACCOUNT

	<u>28.09.1995</u>	<u>31.07.1994</u>
	£	£
Balance brought forward as previously reported	8820	5903
Prior year adjustments	(1213)	-
Balance brought forward as restated	<u>7607</u>	<u>5903</u>

The prior year adjustment to the balance brought forward in 1995 represents a net understatement of administrative expenses of £995, and a net overstatement of Contributions receivable of £218.

The comparative figures in the Income and Expenditure Account and Balance Sheet have been restated accordingly.

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>28.09.1995</u>	<u>31.07.1994</u>
	£	£
Opening Shareholders' Funds as previously stated	9140	6223
Prior year adjustments	(1213)	-
(Deficit)/Surplus for the financial period/year	(3654)	1704
Closing Shareholders' Funds	<u>4273</u>	<u>7927</u>

8. OPERATING DEFICIT/SURPLUS

This is stated after charging:

Auditors Remuneration	<u>350</u>	<u>2000</u>
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9. TAXATION

Corporation Tax on Interest Received £161 @ 25% (1994 @ 25%)	40	41
Overprovision in prior years	-	(57)
	<u>40</u>	<u>(16)</u>

BRODIE HOUSE MANAGEMENT LIMITED
DETAILED INCOME & EXPENDITURE ACCOUNT
FOR THE 14 MONTHS ENDED 28TH SEPTEMBER 1995

	<u>01.08.1994 - 28.09.1995</u> £
<u>Income</u>	
Service Charge	13689
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<u>Administrative Expenses</u>	
Window Cleaning	802
Cleaning	2154
Gardening	1850
Pest Control	80
Communal Electricity	347
Refuse Collection	143
Supply of Light Bulbs	68
Trees	124
Fire Extinguisher Contract	149
Entryphone Contract	213
Roof Repairs	1404
Supervision Fee - Roof Repairs	140
Decorwise written off	132
General Repairs	2541
Supervision Fee - Re-roofing	2896
Postage and Copying	7
Hall Hire	23
Abandoned Car Notices	12
Statutory Filing Fee	18
Building Survey Fee	235
Audit and Accountancy	1275
Management Fees	2851
	<hr/>
	<u>17464</u>
	<hr/> <hr/>
Operating (Deficit)	(3775)
Interest Receivable	161
(Deficit) on Ordinary Activities	<u>(3614)</u>
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NOTE**Comparative figures**

It has not been possible to prepare comparative figures, as the information is not available.