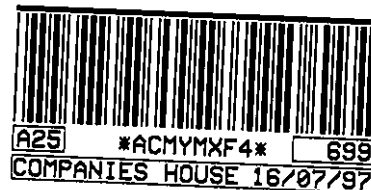


COMPANY NUMBER: 1 0 2 2 5 7 3



AUDITORS' REPORT TO

BRODIE HOUSE MANAGEMENT LIMITED

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 5 to 7 together with the financial statements of Brodie House Management Limited prepared under section 226 of the Companies Act 1985 for the year ended 28th September 1996.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 5, and whether the abbreviated accounts have been properly prepared in accordance with that schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions, and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purposes of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 28th September 1996, and the abbreviated accounts have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 27th March 1997 we reported, as Auditors of Brodie House Management Limited to the Shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 28th September 1996, and our Audit Report was as follows:

"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 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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;
- Comply with applicable accounting standards, 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.

COMPANY NUMBER: 1 0 2 2 5 7 3

AUDITORS' REPORT TO
BRODIE HOUSE MANAGEMENT LIMITED

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

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.

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

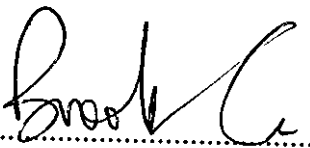
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1996, and of its deficit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985."



.....
Brooks & Co
Chartered Accountants
Registered Auditors

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

Date: 27th March 1997

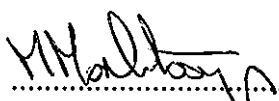
BRODIE HOUSE MANAGEMENT LIMITED

BALANCE SHEET AS AT 28TH SEPTEMBER 1996

	Notes	<u>1996</u>	<u>1995</u>
		£	£
FIXED ASSETS			
Tangible Assets	2	<u>1</u>	<u>1</u>
CURRENT ASSETS			
Stock of Entryphone Keys		1	1
Building Society Account		5	5715
Cash in Hand		220	137
Debtors and prepayments	3	<u>4421</u>	<u>29023</u>
		<u>4647</u>	<u>34876</u>
CREDITORS - Amounts falling due within one year			
Creditors	4	491	3728
Accruals and Deferred Income	5	424	26876
		<u>915</u>	<u>30604</u>
NET CURRENT ASSETS		<u>3732</u>	<u>4272</u>
NET ASSETS		<u>3733</u>	<u>4273</u>
CAPITAL AND RESERVES			
Authorised Ordinary Shares of £10 each		<u>320</u>	<u>320</u>
Allotted, Called Up and Fully-paid Share Capital		320	320
Income and Expenditure Account		3413	3953
Shareholders' Funds		<u>3733</u>	<u>4273</u>

Advantage has been taken of the exemptions for small companies conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to those exemptions as a small company under Sections 246 and 247 of that Act.

Signed on behalf of the Board



 M A Mortiboys - Director

Date: 27th March 1997

BRODIE HOUSE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH SEPTEMBER 1996**

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 and 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
-------------------	------------------------------

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 29.09.1995	2883
At 28.09.1996	2883
 DEPRECIATION	
At 29.09.1995	2882
Charge in the year	-
	2882
 NET BOOK VALUE	
At 29.09.1995	1
At 28.09.96	1

BRODIE HOUSE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 28TH SEPTEMBER 1996**

3. DEBTORS & PREPAYMENTS

	<u>28.09.96</u>	<u>28.09.95</u>
	£	£
Debtors - Property Management Clients Account	2040	26534
- Electricity Recoverable	321	235
- Entryphone Contract	-	166
- Insurance Claims	630	-
- Removal of Cars	71	-
- Contributions due from Lessees	1281	2012
Prepayment - Fire Extinguisher Contract	78	76
	<u>4421</u>	<u>29023</u>

4. CREDITORS

Window Cleaning	63	63
Gardening	100	100
Cleaning	159	150
Audit and Accountancy 1994	-	2334
Management Fees	-	611
Supply of Light Bulbs	15	-
Contributions paid in Advance	154	470
	<u>491</u>	<u>3728</u>

5. ACCRUALS AND DEFERRED INCOME

Accruals - Communal Electricity	-	101
- Audit and Accountancy 1995	-	411
- Audit and Accountancy 1996	424	-
Deferred Income - Roofing Contributions	-	26364
	<u>424</u>	<u>26876</u>