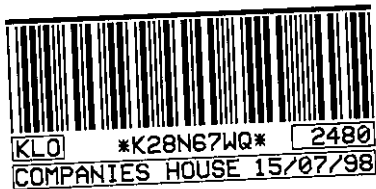


10 ARKWRIGHT ROAD MANAGEMENT LTD

Company Number 3426516

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 29 AUGUST 1997 TO 25 MARCH 1998



10 ARKWRIGHT ROAD MANAGEMENT LTD

25TH MARCH 1998

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10 ARKWRIGHT ROAD MANAGEMENT LTD

GENERAL INFORMATION

DIRECTORS

Mr. H.T. Ekren
Ms S.A. Streeter
Ms J.A. Oddie
Dr. H.C.R. Campion
Mr. J. Sternlight
Dr. A.V.J. Edwards

SECRETARY

Dr. A.V.J. Edwards

REGISTERED OFFICE

10c Arkwright Road
Hampstead
London
NW3 6AE

BANKERS

Barclays Bank Plc
Hampstead Branch
28 Hampstead High Street
PO Box 11483
London NW3 1WJ

SOLICITORS

Henry Smee & Co.
Britannia House
958 High Road
Finchley
N12 9RY

10 ARKWRIGHT ROAD MANAGEMENT LTD

DIRECTORS REPORT

The directors submit herewith their first report and financial statements of the company for the period from 29 August 1997 to 25 March 1998.

Incorporation

The company was incorporated on 29 August 1997 and commenced its activities on 13 December 1997.

Results

Result for the period under review £NIL

=====

Due to the nature of the company's activities, no dividends are payable by the company.

Review of the company's activities and future developments

The principal activity of the company is the management of the freehold property referred to in the notes to the financial statements, and in the directors' opinion this will not change in the future.

Market value of the property

In the opinion of the directors the freehold property does have a value but no professional valuation has been made it will be misleading to hazard an opinion as to the exact value.

Directors and their interest

The directors throughout the period were as shown on the previous page. Each director held one share in the company throughout their period of office.

The directors had no beneficial interest in any significant contract with the company.

10 ARKWRIGHT ROAD MANAGEMENT LTD

DIRECTORS REPORT (Continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view. In preparing those financial statements, the directors are required to:

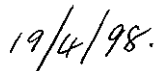
1. Select suitable accounting policies and then apply them on a consistent basis making judgements and estimates that are prudent and responsible.
2. Prepare financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD



Dr. A.V.J. Edwards
Secretary



Date

10 ARKWRIGHT ROAD MANAGEMENT LTD

Income and expenditure account

for the period from 29 August 1997 to 25 March 1998

	<u>Notes</u>	<u>1998</u>
Turnover	2	2,219
Costs of maintenance and services		2,019
		—
		200
Administrative expenses		200
		—
Result for the period		£ Nil
		====

10 ARKWRIGHT ROAD MANAGEMENT LTD

Balance sheet

As at 25 March 1998

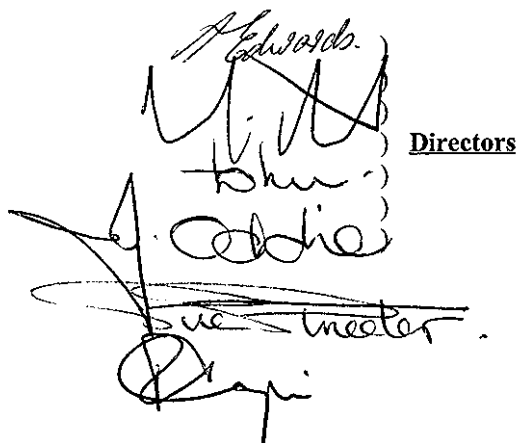
	<u>Notes</u>	<u>£</u>	<u>£</u>
<u>Fixed Assets</u>			
Tangible assets	3		10,565
<u>Current Assets</u>			
Cash at bank and in hand		1,192	
<u>Creditors:</u> amounts falling due within one year	4	11,751	
Net current liabilities			(10,559)
<u>Net Assets</u>			<u>£6</u>
<u>Capital and Reserves</u>			
Called up share capital	5		6
<u>Equity Shareholders' funds</u>			<u>£6</u>

We have taken advantage of the exemption conferred by Section 249A(1) not to have these accounts audited and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

I acknowledge my responsibilities for ensuring that:

- The Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- The accounts give a true and fair view of the state of affairs of the Company as at 25 March 1998 and of its result for the year ended on that date in accordance with requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

Approved by the board on


Directors

10 ARKWRIGHT ROAD MANAGEMENT LTD

Notes to the Financial Statements

for the period from 29 August 1997 to 25 March 1998

1. **Accounting policies**

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2. **Turnover**

Turnover represents service charge receivable from lessees.

3. **Tangible Assets**

The freehold land and buildings at 10 Arkwright Road, Hampstead, London, NW3 6AE were purchased for a sum of £10,565. The property is subject to 6 leases of nine hundred and ninety nine years each.

4. <u>Creditors: amounts falling within one year</u>	<u>1998</u>
	£
Service charge in advance	991
Other creditors	10,560
Accruals	200
	<u>£11,751</u>

5. **Share Capital**

Authorised, Allotted and issued and fully paid	<u>£6</u>
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6. **Capital commitments**

There were no capital commitments contracted for at the balance sheet date.

7. **Reconciliation of movements in shareholders' funds**

Issue of share capital	6
Results for the period	-
Closing shareholders funds	<u>£6</u>

10 ARKWRIGHT ROAD MANAGEMENT LTD

Notes to the Financial Statements

for the period from 29 August 1997 to 25 March 1998

8. Related party transactions

Included in these accounts is £2,219 of service charges demanded for the period in respect of lessees who were directors at any time during the period.

Other creditors represent interest free loan received from the directors to purchase the company's freehold property.

10 ARKWRIGHT ROAD MANAGEMENT LTD

Statement of estate management and maintenance costs

for the period from 29 August 1997 to 25 March 1998

General repairs and maintenance	186
Insurance	1,831
Electricity to common parts	2
Accountancy fees	200
	<u>£2,219</u>

10 Arkwright Road Management Ltd

Service Charge Statement

as at 25 March 1998

	<u>Freehold Completion</u>	<u>Share Capital</u>	<u>S/Charge Completion</u>	<u>Insurance Received</u>	<u>Banking</u>	<u>Service Charge</u>	<u>Total</u>	<u>Deferred Loan</u>	<u>1st half S/Charge 98/99</u>	<u>Balance Due</u>
Flat A - Dr. Ross Campion	(2,113.00)	1.00	(236.80)	(339.60)		413.80	(2,274.60)	2,112.00	2,566.41	2,403.81
Flat B - Mr. Toker Ekren	(2,113.00)	1.00	(260.09)	(339.60)		413.80	(2,297.89)	2,112.00	2,566.41	2,380.52
Flat C - Mr. Alex Edwards	(2,113.00)	1.00	(177.75)	(224.27)		273.20	(2,240.82)	2,112.00	1,692.34	1,563.52
Flat D - City Estates Ltd		1.00	0.01	(280.67)	(225.63)	341.25	(164.04)		2,095.28	1,931.24
Flat E - Ms Sue Streeter	(2,113.00)	1.00	1.38	(280.67)	(229.54)	341.97	(2,278.86)	2,112.00	2,120.07	1,953.21
Garden Flat - Ms J Oddie	(2,113.00)	1.00	(257.34)	(360.39)		435.13	(2,294.60)	2,112.00	2,585.00	2,402.40
	<u>(10,565.00)</u>	<u>6.00</u>	<u>(930.59)</u>	<u>(1,825.20)</u>	<u>(455.17)</u>	<u>2,219.15</u>	<u>(11,550.81)</u>	<u>10,560.00</u>	<u>13,625.51</u>	<u>12,634.70</u>