

Co. House

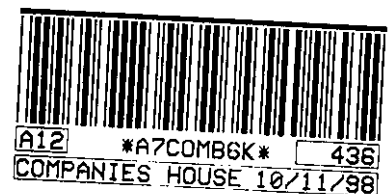
26/27 MEDWAY STREET MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 MARCH 1998

Company No: 2675234

**MACCALLUM & CO
Chartered Accountants
29a Broadway
Peterborough PE1 1SQ**



26/27 MEDWAY STREET MANAGEMENT LIMITED

YEAR ENDED 24 MARCH 1998

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DIRECTORS: J C O'Byrne
Mrs P Cornwall

SECRETARY: P L Tann

REGISTERED OFFICE: 26-27 Medway Street
London SW1P 2BD

**ACCOUNTANTS &
AUDITORS:** Maccallum & Co
29a Broadway
Peterborough PE1 1SQ

26/27 MEDWAY STREET MANAGEMENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 24 MARCH 1998**

The Directors present their report and financial statements for the Company for the year ended 24 March 1998.

RESULTS

The result of the company was loss after taxation of £1 (1997 - loss £116) in the year. No dividend is to be paid.

REVIEW OF BUSINESS

The Company manages on behalf of its tenants 26/27 Medway Street, London SW1. No profit is sought from this activity. In addition it receives ground rent from the leaseholders in the property who are not shareholders of the company.

DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- iv) prepare the financial statements on an ongoing concern basis, unless it is inappropriate to presume that the Company will remain 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.

DIRECTORS

The Directors during the year were

| | Shares held at 24/3/98 & 25/3/97 |
|----------------|-------------------------------------|
| J C O'Byrne | 2 |
| Mrs P Cornwall | 2 |

BY ORDER OF THE BOARD



P L TANN
Secretary

29 May 1998

**ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS OF
26/27 MEDWAY STREET MANAGEMENT LIMITED
TO THE DIRECTORS OF THE COMPANY**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 24 March 1998, set out on page 3 - 5, and you consider that the company is exempt from an audit under the Companies Act 1985 s249A(1). In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and explanations given to us.



Chartered Accountants
29a Broadway
Peterborough PE1 1SQ

4 June 1998

26/27 MEDWAY STREET MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 24 MARCH 1998

| | 1998 | | 1997 |
|-------------------------------|----------|---|----------|
| | £ | £ | £ |
| Income from property | 430 | | 630 |
| Interest received | 62 | | 26 |
| Service charges due | 27,219 | | 27,295 |
| Less: Service costs incurred | (27,219) | | (27,295) |
| | ----- | | ----- |
| | - | | - |
| | ----- | | ----- |
| | 492 | | 656 |
| Less: Operating costs | (493) | | (772) |
| | ----- | | ----- |
| (Deficit) before taxation | (1) | | (116) |
| Less: Taxation | - | | - |
| | ----- | | ----- |
| (Deficit) after taxation | (1) | | (116) |
| | | | |
| Add: Reserves brought forward | 257 | | 373 |
| | ----- | | ----- |
| Reserves carried forward | 256 | | 257 |
| | ===== | | ===== |

There are no gains or losses in the year other than shown in the Profit and Loss account for the year.

26/27 MEDWAY STREET MANAGEMENT LIMITED
BALANCE SHEET AS AT 24 MARCH 1998

| | Note | £ | 1998 £ | £ | 1997 £ |
|--|------|--------|-----------|--------|-----------|
| FIXED ASSETS | | | | | |
| Investment property at cost of acquisition | 1 | | 21,523 | | 21,523 |
| CURRENT ASSETS | | | | | |
| Debtor | | 16 | | 730 | |
| Bank | | 5,625 | | 5,092 | |
| Monies held at bank for tenants | 2 | 15,375 | | 12,392 | |
| | | ----- | 21,016 | ----- | 18,214 |
| LESS: CURRENT LIABILITIES | | | | | |
| Creditors | | 472 | | 569 | |
| Amount held on behalf of tenants | | 15,375 | | 12,392 | |
| | | ----- | (15,847) | ----- | (12,961) |
| | | | ----- | | ----- |
| | | | 26,692 | | 26,776 |
| Less: Loans from shareholders | | | | | |
| Other loan | | 1,425 | | 1,508 | |
| | | 250 | | 250 | |
| | | ----- | (1,675) | ----- | (1,758) |
| | | | ----- | | ----- |
| | | | 25,017 | | 25,018 |
| | | | ===== | | ===== |
| CAPITAL AND RESERVES | | | | | |
| Share capital | 3 | | 22 | | 22 |
| Share premium account | | | 24,739 | | 24,739 |
| Reserves | | | 256 | | 257 |
| | | | ----- | | ----- |
| | | | 25,017 | | 25,018 |
| | | | ===== | | ===== |

These accounts were approved by the board of Directors on 29 May 1998. The Directors confirm that:

- i) For the year ended 24 March 1998 the Company was entitled to an exemption from audit under the Companies Act 1985 section 249A(1).
- ii) No notice from members have been deposited under Companies Act 1985 s.249(B)(2) requiring an audit of the accounts for the year ended 24 March 1998.

The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records, which comply with S.221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the Company at 24 March 1998 and of its deficit for that year then ended in accordance with the requirements of S.226, and which otherwise comply with the requirements of this Act relating to accounts so far as applicable to the Company.

P. M. Cornwall
MRS P CORNWALL

J. C. Byrne
C O'BYRNE

26/27 MEDWAY STREET MANAGEMENT LIMITED

FOR THE YEAR ENDED 24 MARCH 1998

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

- (a) The Financial Statements are prepared under the historical cost convention.
- (b) Investment property is included at Directors' valuation which is considered to be the cost of acquisition.
- (c) Income from the property investment is treated on a receipts basis.

2. SINKING FUND

Included in the amounts due to tenants of £15,375, is £11,719 being the Sinking Fund. The movements on the Sinking Fund for the year were as follows:

| | |
|--|---------|
| Surplus transferred for the year ended 24 March 1997 | £7,893 |
| Transfer in the year ended 24 March 1998 | 5,000 |
| Interest credited in the year | 320 |
| Repaid to tenants to remedy overcharge for 1995/96 | (1,494) |
| | ----- |
| Balance of Sinking Fund carried forward at 24 March 1998 | £11,719 |
| | ===== |

3. SHARE CAPITAL

| | | |
|---|-------|-------|
| Authorised share capital - 100 shares of £1 | £100 | £100 |
| | ===== | ===== |
| Issued share capital - 22 shares of £1 | £22 | £22 |
| | ===== | ===== |

4. INVESTMENTS

The Company owns investments valued at £1,827 at 24 March 1998, which have a nil cost.

5. MOVEMENTS IN SHAREHOLDER FUNDS

| | | |
|-----------------------------------|--------|--------|
| | £ | £ |
| Shareholder funds brought forward | 25,018 | 20,632 |
| Surplus (Deficit) in year | (1) | (116) |
| Proceeds for sale of shares | - | 4,502 |
| | ----- | ----- |
| Shareholder funds carried forward | 25,017 | 25,018 |
| | ===== | ===== |