

**FALKLAND ROAD MANAGEMENT COMPANY
LIMITED**

FINANCIAL STATEMENTS

31 JULY 1997

Company Registration Number 2521155



FALKLAND ROAD MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Ms A Worster
Mr T Duncan

Company secretary

Ms M Shield

Registered office

60 Falkland Road
London
NW5 2XA

Accountant

Ian Steinberg FCA
Chartered Accountant
40 Woodford Avenue
Gants Hill
ESSEX IG2 6XQ

FALKLAND ROAD MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JULY 1997

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 July 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the management of the residential property at 60 Falkland Road, London NW5 2XA.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At 31 July 1997	At 1 August 1996 or later date of appointment
Mr T Duncan		1	1
Ms C Holden		1	1
Ms A Worster	(Appointed 6 December 1996)	1	-
Ms M Connelly	(Retired 6 December 1996)		

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

Ms C Holden resigned as a director on 8 August 1997.

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

In accordance with the company's Articles of Association all of the Directors are to retire at the next Annual General Meeting but are eligible for re-election without nomination.

FALKLAND ROAD MANAGEMENT COMPANY LIMITED

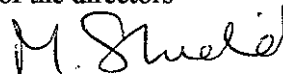
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JULY 1997

SMALL COMPANY PROVISIONS

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

Signed by order of the directors



Ms M Shield
Company Secretary

Approved by the directors on 30-4 1998

FALKLAND ROAD MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 JULY 1997

	Note	1997 £	1996 £
TURNOVER		425	1,385
Administrative expenses		428	1,386
OPERATING DEFICIENCY		(3)	(1)
Interest receivable		3	1
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on surplus on ordinary activities		-	-
RETAINED SURPLUS FOR THE FINANCIAL YEAR		-	-

The notes on pages 7 to 8 form part of these financial statements.

FALKLAND ROAD MANAGEMENT COMPANY LIMITED

BALANCE SHEET

31 JULY 1997

	Note	1997	1996
		£	£
FIXED ASSETS			
Tangible assets	3	3,947	3,947
CURRENT ASSETS			
Debtors	4	139	310
Cash at bank and in hand		133	132
		<u>272</u>	<u>442</u>
CREDITORS: Amounts falling due within one year	5	<u>(269)</u>	<u>(439)</u>
NET CURRENT ASSETS		<u>3</u>	<u>3</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,950</u>	<u>3,950</u>
CREDITORS: Amounts falling due after more than one year	6	<u>(3,947)</u>	<u>(3,947)</u>
		<u>3</u>	<u>3</u>

The balance sheet continues on the following page.

The notes on pages 7 to 8 form part of these financial statements.

FALKLAND ROAD MANAGEMENT COMPANY LIMITED

BALANCE SHEET *(continued)*

31 JULY 1997

	Note	1997 £	1996 £
CAPITAL AND RESERVES			
Called-up equity share capital	8	3	3
SHAREHOLDERS' FUNDS		<u>3</u>	<u>3</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts 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 its surplus or deficiency for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the directors on the 30.4.1998, and are signed on their behalf by:

MS A WORSTER
Director



The notes on pages 7 to 8 form part of these financial statements.

FALKLAND ROAD MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 1997

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents service charges receivable from the residential lessees.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income as incurred.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. DIRECTORS' PENSION SCHEMES

There was no directors pension scheme as at 31 July 1997 or 31 July 1996.

3. TANGIBLE FIXED ASSETS

	Freehold Property £
COST	
At 1 August 1996 and 31 July 1997	3,947
DEPRECIATION	-
NET BOOK VALUE	
At 31 July 1997	3,947
At 31 July 1996	3,947

4. DEBTORS

	1997 £	1996 £
Trade debtors	139	270
Other debtors	-	40
	139	310

FALKLAND ROAD MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 1997

5. CREDITORS: Amounts falling due within one year

	1997 £	1996 £
Trade creditors	11	133
Accruals and deferred income	258	306
	<u>269</u>	<u>439</u>

6. CREDITORS: Amounts falling due after more than one year

	1997 £	1996 £
Other	<u>3,947</u>	<u>3,947</u>

7. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8 except by virtue of the fact that this is a Residents Management company.

8. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>3</u>	<u>3</u>