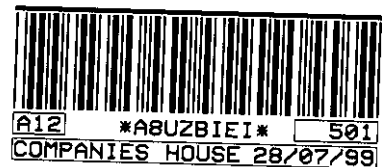


**OCTEAR FLAT MANAGEMENT COMPANY
LIMITED**

FINANCIAL STATEMENTS

31 MARCH 1999

Company Registration Number 01488472



OCTEAR FLAT MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1999

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The following pages do not form part of the financial statements

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OCTEAR FLAT MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

N. Penemo (resigned - 1 February 1999)
E. Penemo (resigned - 1 February 1999)
S Rowell
Mr. Groves (resigned - 30 April 1999)
Mr. Schofield
C. Allen (resigned - 1 December 1998)
J. Vallintine (resigned - 1 December 1998)
R. Myring
A. Jones
S.M. Dewsnap (resigned - 1 December 1998)

Company Secretary

Mrs A Jones

Registered Office

Wright & Co.
The Tor
Coronation Road
South Ascot
Berkshire
SL5 9LP

Auditors

Hare Wilson & Co
Chartered Accountants
& Registered Auditors
Redmead House, Uxbridge Road
Hillingdon Heath, Uxbridge
Middlesex, UB10 0LT

OCTEAR FLAT MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITIES

The company is principally engaged in the maintenance and management of the flats known as 5-63 Evegreen Way (odd numbers only), Hayes, Middlesex, and the land appurtenant thereto.

YEAR 2000 COMPLIANCE

The directors have considered the potential impact of the year 2000 problem and have taken necessary steps to address the year 2000 issues relating to the operation of the company including its relationship with customers, suppliers and other relevant parties. However, full compliance cannot be guaranteed as the company has to rely on other parties having also properly addressed the year 2000 problem.

The total cost of these plans, including amounts to be spent in future periods, are not material.

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.

AUDITORS

A resolution to re-appoint Hare Wilson & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

OCTEAR FLAT MANAGEMENT COMPANY LIMITED


THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 1999

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


MRS A JONES
Company Secretary

Approved by the directors on ...23/7/1999

OCTEAR FLAT MANAGEMENT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 1999

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 at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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.

OCTEAR FLAT MANAGEMENT COMPANY LIMITED

AUDITORS' REPORT TO THE MEMBERS

YEAR ENDED 31 MARCH 1999

We have audited the financial statements on pages 6 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page 8 .

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 4, the company's directors are responsible for the preparation of the 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, 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.

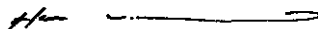
OPINION

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31 March 1999 and of its deficit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Redmead House, Uxbridge Road
Hillingdon Heath, Uxbridge
Middlesex, UB10 0LT

HARE WILSON & CO
Chartered Accountants
& Registered Auditors

26.7.1999



OCTEAR FLAT MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
TURNOVER		18,037	24,400
Administrative expenses		25,020	15,274
OPERATING (DEFICIENCY)/SURPLUS		<u>(6,983)</u>	<u>9,126</u>
Interest receivable		127	105
(DEFICIENCY)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(6,856)</u>	<u>9,231</u>
Tax on (deficit)/surplus on ordinary activities	2	-	5
(DEFICIENCY)/RETAINED SURPLUS FOR THE FINANCIAL YEAR		<u>(6,856)</u>	<u>9,226</u>
Balance brought forward		17,287	8,060
Balance carried forward		<u>10,431</u>	<u>17,286</u>

The notes on pages 8 to 9 form part of these financial statements.

OCTEAR FLAT MANAGEMENT COMPANY LIMITED

BALANCE SHEET

31 MARCH 1999

	Note	1999 £	£	1998 £	£
CURRENT ASSETS					
Debtors	3	8,028		9,804	
Cash at bank and in hand		6,667		12,320	
		<u>14,695</u>		<u>22,124</u>	
CREDITORS: Amounts falling due within one year	4	<u>(1,264)</u>		<u>(1,838)</u>	
NET CURRENT ASSETS			13,431		20,286
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,431</u>		<u>20,286</u>
RESERVES	6				
Share premium account			3,000		3,000
Income and expenditure account	7		10,431		17,286
MEMBERS' FUNDS			<u>13,431</u>		<u>20,286</u>

These financial statements 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 (effective March 1999).

These financial statements were approved by the directors on the23/7/1999 and are signed on their behalf by:



Director

The notes on pages 8 to 9 form part of these financial statements.

OCTEAR FLAT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1999

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 (effective March 1999).

Turnover

Turnover represents service charges receivable from the residential lessees.

2. TAX ON DEFICIT/SURPLUS ON ORDINARY ACTIVITIES

	1999 £	1998 £
Corporation tax based on the results for the year at 21% (1998 - 21%)	-	5

3. DEBTORS

	1999 £	1998 £
Service charges in arrears	6,007	5,927
Prepayments and accrued income	2,021	3,877
	<u>8,028</u>	<u>9,804</u>

4. CREDITORS: Amounts falling due within one year

	1999 £	1998 £
Service charges in advance	54	-
Accruals and deferred income	1,210	1,838
	<u>1,264</u>	<u>1,838</u>

5. RELATED PARTY TRANSACTIONS

There were no related party transactions other than the service charge contributions receivable from the members of Octear Flat Management Company Limited, amounting to £17568, which were in the ordinary course of business.

6. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital.

OCTEAR FLAT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1999

7. INCOME AND EXPENDITURE ACCOUNT

	1999 £	1998 £
Balance brought forward	17,287	8,060
Retained (deficit)/surplus for the financial year	(6,856)	9,226
Balance carried forward	<u>10,431</u>	<u>17,286</u>