

PATHOAK PROPERTY MANAGEMENT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 1999

Company No 01815956



PATHOAK PROPERTY MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 1999

The Directors present their Report together with the audited Financial Statements of the company for the year ended 30th June 1999 which show the state of the company's affairs.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review continued to be the ownership and management of the freehold block of flats known as 83-101 Barkston Gardens, London, S W 5

DIRECTORS AND DIRECTORS' INTERESTS

The directors in office in the year and their beneficial interests in the issued ordinary share capital were as follows:

| | <u>Ordinary Shares of £1 Each</u> | |
|---------------|---|-----------------------|
| | <u>1st July 1998</u> <u>or Date of Appointment</u> | <u>30th June 1999</u> |
| Dr E M Passes | 1 | 1 |
| Mr J Sherman | 1 | 1 |
| Mr A P Simkin | 1 | 1 |
| Mr T W Bensen | 1 | 1 |

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 profit or loss of the company for that period. 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,
- 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. 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.

Cont.....

PATHOAK PROPERTY MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 1999

YEAR 2000

The directors have considered the potential impact and extent of the year 2000 problem and have implemented plans to ensure that, where necessary, the company will be compliant by the end of 1999.

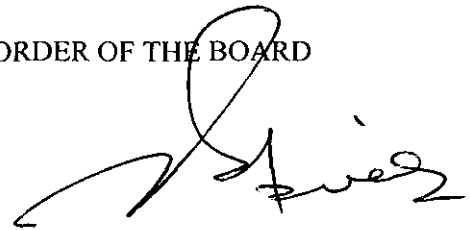
AUDITORS

A Resolution will be put to the Annual General Meeting to re-appoint Ellis Atkins as Auditors.

SMALL COMPANY EXEMPTIONS

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

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'C. F. Spires', written over the printed name.

Colin F Spires
Secretary

18 Pall Mall
London
SW1Y 5LU

**Ellis Atkins
Chartered Accountants**

Michael K Atkins FCA Rick Parish ACA Philip Longstaff ACA

1 Paper Mews 330 High Street Dorking Surrey RH4 2TU
Telephone 01306 886681 Fax 01306 889897

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
PATHOAK PROPERTY MANAGEMENT LIMITED**

We have audited the financial statements on pages 4 to 8 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 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of 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.

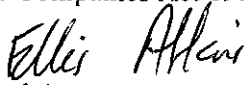
Basis of Opinion

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 state of the company's affairs as at 30th June 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants
Registered Auditor

14th April 2000

Registered to carry on Audit Work and authorised to carry on Investment Business
by the Institute of Chartered Accountants in England and Wales

PATHOAK PROPERTY MANAGEMENT LTD

PROFIT & LOSS ACCOUNT FOR THE YEAR TO 30TH JUNE 1999

| | Notes | Year to <u>30.6.99</u> | Year to <u>30.6.98</u> |
|---|-------|---------------------------|---------------------------|
| | | £ | £ |
| TURNOVER | 2 | 94,958 | 33,758 |
| Property operating costs | (| 142,632) | (29,924) |
| Service charge balance | 3 | 27,468 | (3,976) |
| Administrative expenses | (| 1,469) | (1,190) |
| Interest receivable | | 1,544 | 2,383 |
| | | <hr/> | <hr/> |
| OPERATING (LOSS) PROFIT | 4 (| 20,131) | 1,051 |
| Interest payable and similar charges | | - | - |
| | | <hr/> | <hr/> |
| (LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | (| 20,131) | 1,051 |
| TAXATION | 5 (| 435) | (616) |
| | | <hr/> | <hr/> |
| (LOSS) PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | (| 20,566) | 435 |
| DIVIDENDS PAID | (| 6,000) | - |
| | | <hr/> | <hr/> |
| | (| 26,566) | 435 |
| RESERVES BROUGHT FORWARD | | 32,735 | 32,300 |
| | | <hr/> | <hr/> |
| RESERVES CARRIED FORWARD | | <u>£6,169</u> | <u>£32,735</u> |

PATHOAK PROPERTY MANAGEMENT LIMITED

BALANCE SHEET AS AT 30TH JUNE 1999

| | Notes | <u>30.6.99</u> £ | <u>30.6.98</u> £ |
|-------------------------------------|-------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Tangible Assets | 6 | 10,378 | 10,378 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 12,283 | 1,940 |
| Cash at bank | | 8,414 | 72,930 |
| | | <u>20,697</u> | <u>74,870</u> |
| CREDITORS | | | |
| Amounts falling due within 1 year - | 8 | (24,601) | (52,208) |
| NET CURRENT (LIABILITIES) ASSETS | | (3,904) | 22,662 |
| NET ASSETS | | <u>£6,474</u> | <u>£33,040</u> |
| CAPITAL AND RESERVES | | | |
| Called-up Share Capital | 9 | 6 | 6 |
| Share Premium Account | | 299 | 299 |
| Profit & Loss Account | | 6,169 | 32,735 |
| SHAREHOLDERS' FUNDS | | <u>£6,474</u> | <u>£33,040</u> |

The accompanying Notes form part of these Financial Statements.

These Financial Statements have been prepared in accordance with special provisions of Part VII of The Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The Financial Statements were approved at a meeting of the directors held on 28th March 2000.


Sherman (Director)

PATHOAK PROPERTY MANAGEMENT LTD

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1999

1 ACCOUNTING POLICIES

a Basis of accounting

The Financial Statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

b Turnover

Turnover represents ground rents and service charges receivable.

c Freehold reversion

No depreciation is provided thereon since, in the opinion of the directors, the residual value is in excess of cost. The property is maintained to a high state of repair and therefore residual value is not considered to reduce.

d Value Added Tax

Expenditure includes Value Added Tax where applicable.

e Deferred taxation

Provision is made for all timing differences which are expected to reverse in the future at the rate of tax expected to arise. No provision is considered necessary at the year end.

| | | | |
|---|--------------------------|-------------------|-------------------|
| 2 | TURNOVER | <u>1999</u> | <u>1998</u> |
| | Ground rents | 550 | 400 |
| | Ordinary service charges | 33,208 | 33,208 |
| | Major Works levy | 61,200 | - |
| | | <u> </u> | <u> </u> |
| | | £94,958 | £33,758 |
| | | <u> </u> | <u> </u> |

Turnover and profits are all derived from within the United Kingdom.

3 SERVICE CHARGE BALANCE

The company provides services to 83-101 Barkston Gardens, London, S W 5. As there is no profit or loss on the service charge, the balance between services receivable from leaseholders and paid during the year is a creditor or debtor.

PATHOAK PROPERTY MANAGEMENT LTD

Notes to Financial Statements 1999 Continued

| | Year to <u>30.6.99</u> | Year to <u>30.6.98</u> |
|--|---------------------------|---------------------------|
| | £ | £ |
| 4 OPERATING (LOSS) PROFIT | | |
| This is stated after charging - | | |
| Auditors' remuneration - | <u>1,175</u> | <u>1,175</u> |
| No director received any emoluments during the year, or the previous year. | | |
| 5. TAXATION | | |
| Taxation is charged on rents and interest receivable. The rate is 20.75% (1998 – 21%). | | |
| 6 TANGIBLE FIXED ASSETS | | |
| Land and buildings - Freehold reversion at cost | | |
| Cost at 1st July 1998 and 30th June 1999 | £ 10,378 | |
| | ===== | |
| 7 DEBTORS: | | |
| Amounts falling due within one year – | | |
| Rent & Service charges receivable | £ 12,283 | £ 1,940 |
| | ===== | ===== |
| 8 CREDITORS | | |
| Amounts falling due within one year - | £ | £ |
| Service charges received in advance | 19,371 | 46,833 |
| Accruals | 4,795 | 4,759 |
| Corporation Tax | 435 | 616 |
| | ===== | ===== |
| | £24,601 | £52,208 |
| | ===== | ===== |

PATHOAK PROPERTY MANAGEMENT LTD

Notes to Financial Statements 1999 Continued

| | | Year to <u>30.6.99</u> | Year to <u>30.6.98</u> |
|----|---|---------------------------|---------------------------|
| | | £ | £ |
| 9 | CALLED-UP SHARE CAPITAL | | |
| | Ordinary Shares of £1 each - | | |
| | 100 Authorised | £100 | £100 |
| | | <u> </u> | <u> </u> |
| | 6 Allotted, called-up and fully paid | £6 | £6 |
| | | <u> </u> | <u> </u> |
| 10 | MORTGAGE | | |
| | Lloyds Bank Plc have a fixed and floating charge over the freehold property, Nos. 83-101 Barkston Gardens, London, SW5 0EU and other assets of the company. | | |
| 11 | COMMITMENTS AND POST BALANCE SHEET EVENTS | | |
| | The company had no commitments contingent liabilities or material post balance sheet events. | | |
| 12 | TRANSACTIONS WITH DIRECTORS | | |
| | During the year the company did not issue service charge requests to the following directors for the amounts listed: | | |
| | | £ | |
| | T W Bensen | 3,000 | |
| | Dr E M Passes | 6,000 | |
| | J Sherman | 6,000 | |
| | A P Simkin | 6,000 | |
| | | <u> </u> | |
| | | £21,000 | |
| | | <u> </u> | |