

**FRESHLANE LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

for the year ended  
31 December 1996



**FRESHLANE LIMITED**

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**DIRECTORS**

J M Bottomley  
J K Farrell

**SECRETARY**

J M Bottomley

**REGISTERED OFFICE**

Fraser House  
29 Albemarle Street  
London  
W1X 3FA

**AUDITORS**

Lake Bushells  
Chartered Accountants  
Key House  
342 Hoe Street  
Walthamstow  
London  
E17 9PX

**BANKERS**

Barclays Bank Plc  
50 Pall Mall  
PO Box 15165  
London  
SW1A 1QF

**FRESHLANE LIMITED**

**FINANCIAL STATEMENTS**

**for the year ended 31 December 1996**

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**FRESHLANE LIMITED****DIRECTORS' REPORT**  
for the year ended 31 December 1996**FINANCIAL STATEMENTS**

The directors present their report and financial statements for the year ended 31 December 1996.

**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:

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) 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 steps for the prevention and detection of fraud and other irregularities.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The company was formed to participate in The Cambridge Partnership. The partnership business is property management and development.

**RESULTS AND DIVIDENDS**

The results for the year includes the company's share of The Cambridge Partnership's assets and liabilities.

The accounts of The Cambridge Partnership for the year ended 31 December 1996 have been audited by Messrs Lake Bushells.

The directors do not propose a dividend for the year ended 31 December 1996.

**DIRECTORS**

The directors who served during the year were as follows:

J. M. Bottomley  
J. K. Farrell  
R. G. White (resigned 30 May 1997)

**DIRECTOR'S INTEREST**

At 31 December 1996 the following director held shares in Anstake Limited (the ultimate holding company):

	<b>31 December 1996</b> <b>£1 Ordinary Shares</b>	<b>31 December 1995</b> <b>£1 Ordinary Shares</b>
J.K.Farrell	<u>1,000</u>	<u>1,000</u>

No other director had any other interest in the shares of a group company.

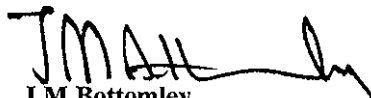
**FRESHLANE LIMITED****DIRECTORS' REPORT (cont'd)  
for the year ended 31 December 1996**

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**AUDITORS**

Lake Bushells have indicated their willingness to continue in office and a proposal for their re-election will be made at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Board on 30 OCTOBER, 1997.

  
J M Bottomley  
Secretary

**AUDITORS' REPORT**  
**to the members of Freshlane Limited**

We have audited the financial statements on pages 4 to 8 which have been prepared on the basis of 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 the 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.

**Going Concern**

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the uncertainty as to the continued financial support of the holding company. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Lake Bushells*

**Chartered Accountants**

**Registered Auditors**

30 OCTOBER 1997

Lake Bushells  
Key House  
342 Hoe Street  
Walthamstow  
London  
E17 9PX

**FRESHLANE LIMITED****PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 1996

	Notes	1996 £	1995 £
Turnover		112,500	-
Cost of Sales		(172,723)	-
Gross Loss		(60,223)	-
Administrative expenses		(18,820)	-
Operating Loss		(79,043)	-
Other interest receivable and similar income		640	-
Interest payable and similar charges	2	(40,361)	-
		(39,721)	-
<b>Loss on ordinary activities before taxation</b>		(118,764)	-
Tax on loss on ordinary activities	3	-	-
<b>Loss on ordinary activities after taxation</b>		(118,764)	-
Retained losses brought forward		(7,962)	(7,962)
<b>Retained losses carried forward</b>		<b>£ (126,726)</b>	<b>£ (7,962)</b>

## Notes

1. The only loss in the year was the retained loss.

**FRESHLANE LIMITED****BALANCE SHEET**  
as at 31 December 1996

	Notes	1996	1995
		£	£
<b>FIXED ASSETS</b>			
Investment	4	2	2
<b>CURRENT ASSETS</b>			
Development	5	-	225,345
Debtors	6	56,764	51
Cash at bank and in hand		72,840	7
		<u>129,604</u>	<u>225,403</u>
<b>CREDITORS: amounts</b>			
<b>falling due within one year</b>	7	<u>(256,330)</u>	<u>(233,365)</u>
<b>Net Current Liabilities</b>		<u>(126,726)</u>	<u>(7,962)</u>
<b>Net Liabilities</b>		<u>£ (126,724)</u>	<u>£ (7,960)</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	8	2	2
Profit and Loss Account		<u>(126,726)</u>	<u>(7,962)</u>
<b>Shareholders' funds</b>	9	<u>£ (126,724)</u>	<u>£ (7,960)</u>

The financial statements on pages 4 to 8 were approved by the board on 30 OCTOBER, 1997.

*John Fawcett*  
Director



**FRESHLANE LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1996**

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**1. ACCOUNTING POLICIES****Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company made a loss of £118,764 during the year ended 31 December 1996 and at that date its liabilities exceed its assets by £126,724. The company is therefore dependent on the continued financial support of the holding company.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon this continued financial support, to which the holding company is not legally committed but which the directors believe will be provided. The financial statements do not include any adjustments that might result if financial support is not provided by the holding company.

On this basis the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

**Turnover**

Turnover for the year derives from the sale of development.

**Group Accounts**

The Company has taken advantage of the exemption available under the Companies Act not to prepare consolidated accounts by virtue of it being a small group. Accordingly the financial statements present information about the company as an individual and not about its group.

Consolidated accounts will be prepared by the Company's parent undertaking, Sterling Trust Limited and ultimate parent undertaking, Anstake Limited.

**Deferred taxation**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

**Cash Flow Statement**

The Company has taken advantage of the exemption available under FRS1, not to prepare a cash flow statement. A consolidated cash flow statement will be prepared by the Company's ultimate parent undertaking, Anstake Limited whose accounts are available from Fraser House, 29 Albemarle Street, London W1X 3FA.

**FRESHLANE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
**for the year ended 31 December 1996**

	1996 £	1995 £
<b>2. Interest Payable and Similar Charges</b>		
Interest Payable	£ 40,361	£ -
Interest payable represents interest capitalised over the life of the development and written off on sale of the development in accordance with the accounting policy.		
<b>3. Tax on Loss on Ordinary Activities</b>		
UK Corporation Tax	£ -	£ -
<b>4. Investment</b>		
Cost		
At 1 January 1996 and 31 December 1996	£ 2	£ 2
The Company owns 100% of Robert Fraser 19th Development Company Limited, registered in England and Wales. It was also formed to participate in the Cambridge Partnership.		
<b>5. Developments</b>		
At 1 January 1996	225,345	226,196
Disposal	(225,345)	(851)
At 31 December 1996	£ -	£ 225,345
The development property was disposed of during the year.		
<b>6. Debtors</b>		
Trade debtors	19,687	-
Amount due from parent undertaking	37,077	-
VAT Recoverable	-	51
	£ 56,764	£ 51
<b>7. CREDITORS: Amounts falling due within one year</b>		
Trade Creditors	(55)	286
Amounts due to parent undertaking	232,770	233,079
Other creditors including taxation and social security	23,615	-
	£ 256,330	£ 233,365

**FRESHLANE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
**for the year ended 31 December 1996****7. CREDITOR'S (cont'd)**

The amounts due to parent undertakings represents loans which are secured by a fixed and floating charge over the entire assets and undertakings of the company.

	1996 £	1995 £
<b>8. Share Capital</b>		
Authorised: 1,000 Ordinary Shares of £1 each	£ 1,000	£ 1,000
	=====	=====
Allotted, Issued and Fully Paid: 2 Ordinary Shares of £1 each	£ 2	£ 2
	=====	=====
<b>9. Reconciliation of Movements in Shareholders Funds</b>		
Loss for the financial year	(118,764)	-
	-----	-----
Net reduction in shareholders funds	(118,764)	-
	-----	-----
Opening Shareholders Funds	(7,960)	(7,960)
	-----	-----
Closing Shareholders Funds	£ (126,724)	£ (7,960)
	=====	=====

**10. Immediate and Ultimate Parent Undertaking**

The immediate parent undertaking is Sterling Property Trust Limited, a company registered in England and Wales.

The parent undertaking, for whom consolidated accounts will be prepared, is Sterling Trust Limited.

The accounts, together with those of Sterling Property Trust Limited, Sterling Trust Limited and the ultimate parent undertaking Anstake Limited are available at Fraser House, 29 Albemarle Street, London W1X 3FA and Companies House.