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**SWEETS WAY (BLOCK A)
MANAGEMENT COMPANY LIMITED**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 1999**



DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 1999

The director presents his report and the financial statements for the year ended 31 March 1999.

Statement of director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Principal activities

The company's principal activity continues to be that of property management.

Directors

The directors who served during the year and their beneficial interest in the company's issued share capital were:

	<u>Ordinary shares of £1</u> <u>each</u>	
	<u>31/3/99</u>	<u>1/4/98</u>
E. Katerzis	1	1
L. C. Clifford (Resigned 14/5/98)	-	1
M. N. Ivell (Resigned 21/4/98)	-	1

Auditors

The auditors, Silver Altman, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

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

This report was approved by the board on 31 March 2000 and signed on its behalf.


E. J. Stanley
Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
SWEETS WAY (BLOCK A) MANAGEMENT COMPANY LIMITED**

We have audited the financial statements on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors is 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.

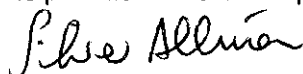
Basis of opinion

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 31 March 1999 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Silver Altman

Chartered Accountants and Registered Auditors
8 Baltic Street East
London
EC1Y 0UP

Date: 31 March 2000

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 1999

	Note	1999 £	1998 £
SERVICE CHARGES RECEIVABLE	1	3,247	2,605
Service charge expenses		<u>(3,247)</u>	<u>(2,605)</u>
OPERATING RESULT	2	-	-
RETAINED PROFIT BROUGHT FORWARD		-	-
RETAINED PROFIT CARRIED FORWARD		<u>£ -</u>	<u>£ -</u>


SWEETS WAY (BLOCK A) MANAGEMENT COMPANY LIMITED

BALANCE SHEET
As at 31 March 1999

	Note	£	1999 £	£	1998 £
CURRENT ASSETS					
Debtors	3	2,840		446	
		<u>2,840</u>		<u>446</u>	
CREDITORS: amounts falling due within one year	4	(352)		(442)	
NET CURRENT ASSETS			<u>2,488</u>		<u>4</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,488</u>		<u>4</u>
PROVISIONS FOR LIABILITIES AND CHARGES	5		<u>(2,484)</u>		<u>-</u>
NET ASSETS			<u>£ 4</u>		<u>£ 4</u>
CAPITAL AND RESERVES					
Called up share capital	6		<u>4</u>		<u>4</u>
SHAREHOLDERS' FUNDS			<u>£ 4</u>		<u>£ 4</u>

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

The financial statements were approved by the board on *31 March 2000* and signed on its behalf.



E. KATERZIS Director

The notes on pages 5 to 7 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 1999

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

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) and include the results of the company's operations which are described in the Director's Report.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

Turnover comprises the invoiced value of services supplied by the company.

1.4 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.5 Profit and loss account

The company is not engaged in business but is operated as a mutual concern for the benefit of the tenants of 1-4 Greenside Close, Whetstone, London N20.

2. OPERATING RESULT

The operating result is stated after charging:

	1999 £	1998 £
Auditors' remuneration	176	162
No director received any emoluments (1998 - Nil)		

3. DEBTORS

	1999 £	1998 £
Due within one year		
Amounts due from managing agents	973	-
Amounts due from tenants	1,867	446
	£ 2,840	£ 446

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 1999

4. CREDITORS:

Amounts falling due within one year

	1999 £	1998 £
Amounts due to managing agents	-	111
Other creditors	352	331
	<u>£ 352</u>	<u>£ 442</u>

5. PROVISIONS FOR LIABILITIES AND CHARGES

	1999 £	1998 £
Other Provisions		
Provision for future expenditure on building repairs	£ 2,484	£ -
	<u>£ 2,484</u>	<u>£ -</u>

The above provision includes interest received in the year of £13 (1998 - £Nil)

6. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised, allotted, called up and fully paid		
4 Ordinary shares of £1.00 each	£ 4	£ 4
	<u>£ 4</u>	<u>£ 4</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 1999

7. RELATED PARTIES

The directors of the company are tenants of the property managed by the company and are required to pay service charges and reserve fund contributions as listed below:

7.1 Service charge

	1999		1998	
	Amounts Demanded	Amounts Outstanding	Amounts Demanded	Amounts Outstanding
	£	£	£	£
E. Katerzis	584	nil	651	155
L. C. Clifford	273	nil	651	97
M. N. Ivell	273	nil	651	97

The amounts demanded from the directors shown above represent the amounts invoiced to them during the year. It does not include the balances of the service charges for the year which were not invoiced to the tenants until after the year end.

7.2 Reserve fund

	1999		1998	
	Amounts Demanded	Amounts Outstanding	Amounts Demanded	Amounts Outstanding
	£	£	£	£
E. Katerzis	648	523	nil	nil
L. C. Clifford	125	nil	nil	nil
M. N. Ivell	125	nil	nil	nil

7.3 The above transactions were carried out on an arms length basis and in the normal course of business.