

COMPANY REGISTRATION NUMBER 2918379

FORMALDEAL PROPERTY MANAGEMENT LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2005



STEELE ROBERTSON GODDARD
Chartered Accountants & Registered Auditors
28 Ely Place
London
EC1N 6AA

FORMALDEAL PROPERTY MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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FORMALDEAL PROPERTY MANAGEMENT LIMITED

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The board of directors	J.F. Byng Mrs J.J. Margerison DM Ackred N Stevens (appointed - 8 March 2005)
Company secretary	Kinleigh Limited
Registered office	4th Floor Carlton Plaza 111 Upper Richmond Road London SW15 2TJ
Auditor	Steele Robertson Goddard Chartered Accountants & Registered Auditors 28 Ely Place London EC1N 6AA
Bankers	Lloyds TSB Plc Butler Place Branch PO Box 132, Caxton Street London SW1H 0PR

FORMALDEAL PROPERTY MANAGEMENT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the ownership and management of the freehold property at Peterborough Villas , and in the directors' opinion this will not change in the future.

DIRECTORS

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.

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

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 surplus or deficiency of the company for that year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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.

AUDITOR

A resolution to re-appoint Steele Robertson Goddard as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

FORMALDEAL PROPERTY MANAGEMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2005

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.

Registered office:

11th Floor

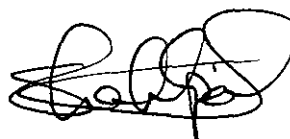
Carlton Plaza

111 Upper Richmond Road

London

SW15 2TJ

Signed by order of the directors



KINLEIGH LIMITED

Company Secretary

Approved by the directors on 15th June 2006

FORMALDEAL PROPERTY MANAGEMENT LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FORMALDEAL PROPERTY MANAGEMENT LIMITED****YEAR ENDED 31 DECEMBER 2005**

We have audited the financial statements of Formaldeal Property Management Limited for the year ended 31 December 2005 on pages 6 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and on the basis of the accounting policies set out on page 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom

FORMALDEAL PROPERTY MANAGEMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FORMALDEAL PROPERTY MANAGEMENT LIMITED *(continued)***

YEAR ENDED 31 DECEMBER 2005

Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of the results of the company for the year then ended; and the financial statements have been properly prepared in accordance with the Companies Act 1985.

Steele Robertson Goddard

STEELE ROBERTSON GODDARD
Chartered Accountants
& Registered Auditors

21 Elly Place
London
EC1N 6AA

... 7th AUGUST 2006

FORMALDEAL PROPERTY MANAGEMENT LIMITED
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
TURNOVER		18,499	30,000
Cost of maintenance and services		<u>11,702</u>	<u>9,485</u>
GROSS SURPLUS		6,797	20,515
Administrative expenses		<u>3,791</u>	<u>3,974</u>
OPERATING SURPLUS	2	3,006	16,541
Interest receivable		529	295
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		3,535	16,836
Tax on surplus on ordinary activities	3	189	71
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		3,346	16,765
Transfer from / to Maintenance Reserve		<u>(3,346)</u>	<u>(16,765)</u>
Balance carried forward		<u>—</u>	<u>—</u>

Note.

The above costs do not include £8,077 of specific maintenance expenditure which has been deducted directly from the maintenance reserve. (2004:-£6,589).

FOR: MALDEAL PROPERTY MANAGEMENT LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
Surplus for the financial year attributable to the shareholders	3,346	16,765
Specific maintenance expenditure deducted directly from reserves	<u>(8,077)</u>	<u>(6,590)</u>
Total gains and losses recognised since the last annual report	<u>(4,731)</u>	<u>10,175</u>

FORMALDEAL PROPERTY MANAGEMENT LIMITED

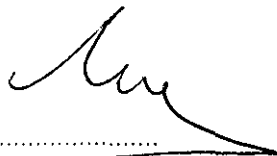
BALANCE SHEET

31 DECEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	4	13,144	13,144
CURRENT ASSETS			
Debtors	5	4,365	4,436
Cash at bank		12,232	16,388
		<u>16,597</u>	<u>20,824</u>
CREDITORS: Amounts falling due within one year	6	<u>14,577</u>	<u>14,073</u>
NET CURRENT ASSETS		<u>2,020</u>	<u>6,751</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,164</u>	<u>19,895</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	12	12
Share premium account	9	1,999	1,999
Other reserves	9	13,153	17,884
SHAREHOLDERS' FUNDS		<u>15,164</u>	<u>19,895</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 June 2002).

These financial statements were approved by the directors on 15th June 2006 and are signed on their behalf by:



 J.E. BYNG



 DM ACKRED

FORMALDEAL PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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 June 2002).

Turnover

Turnover represents service charges receivable from the residential lessees.

Freehold property

Freehold property is accounted for on an historic cost basis, in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE).

Maintenance expenditure

Expenditure for cyclical maintenance is shown as a deduction from the maintenance reserve, set out in the notes to the accounts. This expenditure is not included in the Income and Expenditure Account. The annual transfer to maintenance reserve is shown in the Income and Expenditure Account and under the reserves note.

2. OPERATING SURPLUS

Operating surplus is stated after charging:

	2005	2004
	£	£
Auditor's fees	<u>893</u>	<u>839</u>

3. TAXATION ON ORDINARY ACTIVITIES

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 25% (2004 - 39%)	137	115
Over/under provision in prior year	<u>52</u>	<u>(44)</u>
Total current tax	<u>189</u>	<u>71</u>

FORMALDEAL PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

4. TANGIBLE FIXED ASSETS

	Freehold Property £
COST	
At 1 January 2005 and 31 December 2005	<u>13,144</u>
NET BOOK VALUE	
At 31 December 2005	<u>13,144</u>
At 31 December 2004	<u>13,144</u>

The above freehold property at 4, 7 and 8 Peterborough Villas, London SW6, was acquired during the period ended 30th April 1995 and is subject to twelve leases of ninety nine years.

Capital commitments

	2005 £	2004 £
Contracted but not provided for in the financial statements	<u>25,000</u>	<u>-</u>

5. DEBTORS

	2005 £	2004
Service charges in arrears	-	141
Other debtors	2,813	2,737
Prepayments and accrued income	<u>1,552</u>	<u>1,558</u>
	<u>4,365</u>	<u>4,436</u>

6. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Other creditors including taxation:		
Service Charges in advance	9	-
Trust Tax payable	288	148
Other creditors	12,907	12,908
Accruals and deferred income	<u>1,373</u>	<u>1,017</u>
	<u>14,577</u>	<u>14,073</u>

FORMALDEAL PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

7. RELATED PARTY TRANSACTIONS

Included in these accounts are £6,166 of service charges demanded for the year in respect of lessees who were directors during the year. At the balance sheet date the amounts outstanding were:

Service charges in arrears £Nil
 Service charges in advance £9
 Major works charges in arrears £Nil

8. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
100 Equity ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Equity ordinary shares of £1 each	12	12	12	12

9. RESERVES

	Share premium account	Maintenance Reserve Balance brought forward	Income and expenditure account
	£	£	£
Balance brought forward	1,999	17,884	—
Retained surplus for the year	—	—	3,346
Other movements			
- transfer to other reserves	—	3,346	(3,346)
Other	—	(8,077)	—
Balance carried forward	1,999	13,153	—