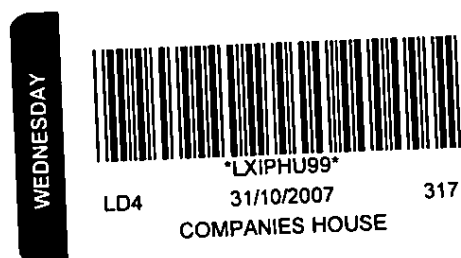


COMPANY REGISTRATION NUMBER 2918379

FORMALDEAL PROPERTY MANAGEMENT LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2006



STEELE ROBERTSON GODDARD

Chartered Accountants
28 Ely Place
London
EC1N 6AA

FORMALDEAL PROPERTY MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

CONTENTS	PAGES
Members of the board and professional advisers	1
The directors' report	2
Income and expenditure account	3
Statement of total recognised gains and losses	4
Balance sheet	5
Notes to the financial statements	6 to 8
The following pages do not form part of the financial statements	
Statement of estate management and maintenance costs	10 to 11
Service charges statement	12

FORMALDEAL PROPERTY MANAGEMENT LIMITED
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The board of directors

J D Cowan (Retired 1 January 2001)
Mrs S K Shelton-Agar (Retired 1 January 2001)
Z Okhai (Retired 1 January 2000)
J F Byng
Mrs J J Margerison
N W Andrews (Retired 17 October 2005)
DM Ackred
N Stevens

Company secretary

Kinleigh Limited

Registered office

4th Floor
Carlton Plaza
111 Upper Richmond Road
London
SW15 2TJ

Accountants

Steele Robertson Goddard
Chartered Accountants
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 2006

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 December 2006

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.

REPORTING ACCOUNTANTS

Messrs Steele Robertson Goddard will continue in office as reporting accountants for the ensuing year.

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
4th 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 15 October 2007

FORMALDEAL PROPERTY MANAGEMENT LIMITED
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2006

	Note	2006 £	2005 £
TURNOVER		34,525	18,499
Cost of maintenance and services		<u>10,147</u>	<u>11,702</u>
GROSS SURPLUS		24,378	6,797
Administrative expenses		4,273	3,791
Other operating income		<u>(2,000)</u>	<u>—</u>
OPERATING SURPLUS		22,105	3,006
Interest receivable		705	529
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		22,810	3,535
Tax on surplus on ordinary activities	2	102	189
SURPLUS FOR THE FINANCIAL YEAR		22,708	3,346
Transfer from / to Maintenance Reserve		<u>(22,708)</u>	<u>(3,346)</u>
Balance carried forward		<u>—</u>	<u>—</u>

Note

The above costs do not include £23,256 of specific maintenance expenditure which has been deducted directly from the maintenance reserve (2005 -£8,077)

FORMALDEAL PROPERTY MANAGEMENT LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2006

	2006 £	2005 £
Surplus for the financial year attributable to the shareholders	22,708	3,346
Specific maintenance expenditure deducted directly from reserves	<u>(23,257)</u>	<u>(8,077)</u>
Total gains and losses recognised since the last annual report	<u>(549)</u>	<u>(4,731)</u>

FORMALDEAL PROPERTY MANAGEMENT LIMITED**BALANCE SHEET****31 DECEMBER 2006**

	Note	2006 £	£	2005 £	£
FIXED ASSETS					
Tangible assets	3		13,144		13,144
CURRENT ASSETS					
Debtors	4	5,498		4,365	
Cash at bank		17,841		12,232	
		<u>23,339</u>		<u>16,597</u>	
CREDITORS: Amounts falling due within one year	5	<u>21,868</u>		<u>14,577</u>	
NET CURRENT ASSETS			<u>1,471</u>		<u>2,020</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,615</u>		<u>15,164</u>
CAPITAL AND RESERVES					
Called-up equity share capital	7		12		12
Share premium account	8		1,999		1,999
Other reserves	8		12,604		13,153
SHAREHOLDERS' FUNDS			<u>14,615</u>		<u>15,164</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficiency for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

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 January 2005)

These financial statements were approved by the directors on the 15 October 2007 and are signed on their behalf by


J F BYNG

DM ACKRED

FORMALDEAL PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

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 January 2005)

Turnover

Turnover represents service charges receivable from the residential lessees

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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. TAXATION ON ORDINARY ACTIVITIES

	2006 £	2005 £
Current tax		
UK Corporation tax based on the results for the year at 20% (2005 - 25%)	141	137
Over/under provision in prior year	(39)	52
Total current tax	<u>102</u>	<u>189</u>

FORMALDEAL PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

3. TANGIBLE FIXED ASSETS

	Freehold Property £
COST	
At 1 January 2006 and 31 December 2006	<u>13,144</u>
NET BOOK VALUE	
At 31 December 2006	<u>13,144</u>
At 31 December 2005	<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

	2006 £	2005 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>25,000</u>

4. DEBTORS

	2006 £	2005 £
Service charges in arrears	2,880	-
Other debtors	1,016	2,813
Prepayments and accrued income	1,602	1,552
	<u>5,498</u>	<u>4,365</u>

5. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Other creditors including taxation		
Service Charges in advance	-	9
Trust Tax payable	239	288
Other creditors	12,906	12,907
Accruals and deferred income	8,723	1,373
	<u>21,868</u>	<u>14,577</u>

FORMALDEAL PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

6. RELATED PARTY TRANSACTIONS

Included in these accounts are £7,508 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 £Nil
 Major works charges in arrears £Nil

7. SHARE CAPITAL

Authorised share capital:

	2006	2005
	£	£
100 Equity ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Equity ordinary shares of £1 each	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

8. RESERVES

	Share premium account	Maintenance Reserve Balance brought forward	Income and expenditure account
	£	£	£
Balance brought forward	1,999	13,153	–
Surplus for the year	–	–	22,708
Other movements			
- transfer to other reserves	–	22,708	(22,708)
Other	–	(23,257)	–
Balance carried forward	<u>1,999</u>	<u>12,604</u>	<u>–</u>

FORMALDEAL PROPERTY MANAGEMENT LIMITED
LANDLORD AND TENANT ACT INFORMATION
YEAR ENDED 31 DECEMBER 2006

The following pages do not form part of the statutory financial statements

FORMALDEAL PROPERTY MANAGEMENT LIMITED
STATEMENT OF ESTATE MANAGEMENT AND MAINTENANCE COSTS
31 DECEMBER 2006

	2006		2005	
	£	£	£	£
COST OF MAINTENANCE AND SERVICES				
Light and heat	301		207	
Insurance	5,291		5,253	
General repairs and maintenance	2,484		4,752	
Gardening and cleaning	1,183		1,132	
Sundry expenses	591		67	
Entryphone	297		291	
		10,147		11,702
ADMINISTRATIVE EXPENSES				
Management fees	2,898		2,813	
Legal and professional fees	417		85	
Accountancy fees	958		—	
Auditors remuneration	—		893	
		4,273		3,791
Other operating income	(2,000)		—	
Bank interest receivable	(705)		(529)	
Trust Tax	141		137	
Over/under provision in prior year	(39)		52	
		(2,603)		(340)
Net Costs due for the year		11,817		15,153
Transfer from / to Maintenance Reserve		22,708		3,346
TOTAL RECOVERABLE FROM LESSEES		34,525		18,499

NOTE:

The above costs do not include £23,257 of specific maintenance expenditure which has been deducted directly from the reserves (2005 - £8,077)

FORMALDEAL PROPERTY MANAGEMENT LIMITED

STATEMENT OF ESTATE MANAGEMENT AND MAINTENANCE COSTS

31 DECEMBER 2006

AUDITORS' REPORT

We certify that in accordance with Section 21(5) and (6) of the Landlord and Tenants Act 1985, in our opinion the foregoing is a fair summary of the costs expended and outgoings disbursed, incurred or provided for by the lessor for the year ended 31 December 2006 being sufficiently supported by accounts, receipts and other documents which have been produced to us and that the service charge payable by each lessee for the period is specified on the attached schedule



STEELE ROBERTSON GODDARD
Chartered Accountants

28 Ely Place
London
EC1N 6AA

29TH OCTOBER 2007

FORMALDEAL PROPERTY MANAGEMENT LIMITED

SERVICE CHARGE STATEMENT

31 DECEMBER 2006

Property	Service charge due £	Demanded on account £	Balance £
Flat 4a	2,877 11	2,877 11	-
Flat 4b	2,877 11	2,877 11	-
Flat 4c	2,877 11	2,877 11	-
Flat 4d	2,877 11	2,877 11	-
Flat 7a	2,877 11	2,877 11	-
Flat 7b	2,877 11	2,877 11	-
Flat 7c	2,877 11	2,877 11	-
Flat 7d	2,877 11	2,877 11	-
Flat 8a	2,877 11	2,877 11	-
Flat 8b	2,877 11	2,877 11	-
Flat 8c	2,877 11	2,877 11	-
Flat 8d	2,877 11	2,877 11	-
	<hr/>	<hr/>	<hr/>
	34,525 32	£34,525 32	£0 00