

Company Number: 3296413

The Watergarden Management Company Limited

Financial Statements

for the year ended 31st December 1998



The Watergarden Management Company Limited

Company Information

Company No: 3296413

Registered Office

1 Rectory Row
Rectory Lane
Bracknell
Berks.
RG12 7BN

Directors

Dr Nigel Stevens
Mr David J Lister
Miss Judith Boulton
Mr Steven East
Mr Paul Kearton

Secretary

Dr Nigel Stevens

Auditors

Wilkins Kennedy
Risborough House
38/40 Sycamore Road
Amersham
Bucks
HP6 5DZ

Bankers

National Westminster Bank plc
33 High Street
High Wycombe
HP11 2AJ

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5	Balance Sheet
6 to 8	Notes to the Financial Statements

The directors submit their report together with the audited financial statements for the year ended 31st December 1998.

As discussed at length in the media, many computers and microchips only recognise dates using the last two digits of the year and will therefore need to be modified or replaced to record the Year 2000. The company's business depends on a computerised system to process and record financial data. In addition, the company could be at risk if other parties do not deal adequately with the Year 2000 issue.

The directors have assessed the risks to the company's business resulting from the change to the Year 2000. The directors have also assessed the possibility of Year 2000 related failures in the company's significant suppliers.

It is impossible to guarantee that no Year 2000 problems will remain. However the directors believe that the company will be able to deal with any failures that may occur.

Directors' Statement

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 for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

Principal Activity

The principal activity of the company is property management.

Directors

The directors, none of whom is beneficially interested in the shares of the company, who served during the year were as follows:

Mr Alan Fenwick		Resigned 20.11.1998.
Dr Nigel Stevens	Appointed 29.09.1998.	
Mr David J Lister	Appointed 29.09.1998.	
Miss Judith Boulton	Appointed 29.09.1998.	
Mr Steven East	Appointed 20.09.1998	Resigned 1.03.1999.
Mr Paul Kearton	Appointed 29.09.1998.	Resigned 2.02.1999.

The Watergarden Management Company Limited

Directors' Report

for the year ended 31st December 1998

Auditors

The Auditors, Wilkins Kennedy Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

Exemption Statement

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.

By Order of the Board,



Dr Nigel Stevens, Secretary

25th September 1999

The Watergarden Management Company Limited

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st December 1998

We have audited the financial statements on pages 4 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 uncertain outcome of the directors' plans to mitigate the effects of the Year 2000 issue.

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 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Wilkins Kennedy
Chartered Accountants
Registered Auditor**

Risborough House
38/40 Sycamore Road
Amersham
Bucks
HP6 5DZ

25th September 1999

The Watergarden Management Company Limited

Profit and Loss Account

for the year ended 31st December 1998

	Notes	1998 £	1997 £
Income	2	17,834	7,241
Expenditure		(17,006)	(6,454)
Excess of income over expenditure		<u>828</u>	<u>787</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

The Watergarden Management Company Limited

Balance Sheet

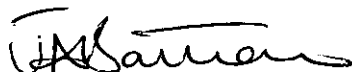
as at 31st December 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed Assets					
Tangible Fixed Assets	4		642		825
Current Assets					
Debtors	5	2,617		3,518	
Cash at bank		5,515		4,155	
		8,132		7,673	
Creditors:					
Amounts falling due within one year	6	(7,127)		(7,680)	
Net Current Assets/(Liabilities)			1,005		(7)
			1,647		818
Capital and Reserves					
Called up share capital	7		32		31
Surplus income over expenditure			1,615		787
Equity Shareholders' Funds	8		1,647		818

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the board on 25th September 1999.

Miss Judith Boulton



Mr David J Lister

Directors

The Watergarden Management Company Limited

Notes to the Financial Statements

for the year ended 31st December 1998

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Going Concern

As discussed at length in the media, many computers and microchips only recognise dates using the last two digits of the year and will therefore need to be modified or replaced to record the Year 2000. The company's business depends on a computerised system to process and record financial data. In addition, the company could be at risk if other parties do not deal adequately with the Year 2000 issue.

The directors have assessed the risks to the company's business resulting from the change to the Year 2000. The directors have also assessed the possibility of Year 2000 related failures in the company's significant suppliers.

It is impossible to guarantee that no Year 2000 problems will remain. However the directors believe that the company will be able to deal with any failures that may occur. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Cash Flow Statement

In the opinion of the directors the company qualifies as a small company and accordingly a cash flow statement is not required.

Income

Service charges receivable by the company excluding VAT.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Furniture and equipment	20% straight line
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2 Income

The income and operating profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating Profit

The operating profit is stated after charging or crediting:

	1998	1997
	£	£
Depreciation - owned assets	183	92

The Watergarden Management Company Limited

Notes to the Financial Statements

for the year ended 31st December 1998

4 Tangible Fixed Assets

	Plant, Machinery and Other Assets £
Cost	
At 1st January 1998	917
At 31st December 1998	917
Depreciation	
At 1st January 1998	92
Charge for period	183
At 31st December 1998	275
Net Book Value	
At 31st December 1998	642
At 1st January 1998	825

5 Debtors

	1998 £	1997 £
Trade debtors	-	15
Other debtors	2,617	3,503
	2,617	3,518

6 Creditors: Amounts falling due within one year

	1998 £	1997 £
Trade creditors	-	800
Other creditors	7,127	6,880
	7,127	7,680

The Watergarden Management Company Limited

Notes to the Financial Statements

for the year ended 31st December 1998

7 Share Capital

Authorised	1998	
	£	
32 Ordinary shares of £1 each	32	
Allotted and fully paid	1998	
	£	
32 Ordinary shares of £1 each	32	
Movements during the year		Ordinary shares of £1 each
At 1st January 1998		31
Issues during the year		1
At 31st December 1998		32

8 Reconciliation of the Movement in Shareholders' Funds

	1998	1997
	£	£
Excess income for the financial year	828	787
Shares issued in the year	1	31
Increase in shareholders' funds	829	818
Opening shareholders' funds	818	-
Closing shareholders' funds	1,647	818