

COPY FOR
REGISTRAR OF
COMPANIES

3340-539

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

FINANCIAL STATEMENTS

20TH MARCH 1997 TO 31ST MARCH 1998



RICHARD ANTHONY & COMPANY
Chartered Accountants and Registered Auditors

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

PERIOD ENDED 31ST MARCH 1998

Company Information

Directors : Mr G J Walker
Mr M F Jewell
Mr M A Polledri
Mr D J Morris

Secretary : Mrs J C Collett

Registration Number : 3340539

Registered Office : 13 Station Road
Finchley
London
N3 2SB

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

INDEX TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 1998

	<u>Page No.</u>
Chairman's Statement	1
Report of the Directors	2-3
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7-10

The following page does not form part
of the statutory financial statements

Trading and Profit and Loss Account	11
-------------------------------------	----

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

CHAIRMAN'S STATEMENT

The company has been established to refurbish the former RSAF Enfield machine shop building and, in the long term, produce profits which will be used for economic regeneration in the Borough predominantly channelled via the Enfield Enterprise Agency.

We are now at the point where we

- are the freehold owners of the building
- have received a dowry (£500K) from the developer Fairview New Homes
- have received a major grant of £1.9M from European Funds KONVER Programme and initial claims have been paid
- have completed the detailed design of the building
- have started marketing the space and have been pleased with the interest shown in the development. First tenants are expected around the turn of the millennium. The plan is to include a Community Hall for use by tenants and the London Borough of Enfield is interested in an area for their use as a Heritage Centre. Confirmation of their interest is awaited.
- expect the construction phase to start in the first quarter of 1999.

All this shows we are well on the way to reach our vision for the site which consists of creating a vibrant village core with 24 hours a day activity for the benefit of the community as well as generating jobs and facilities for the local economy.

The project is at a stage where it demands professional attention to successfully manage the refurbishment phase and getting it operational. The Board has appointed David Morris to the role of managing director, reporting to the directors of RSA Island Village Limited.

David has a wealth of business experience and, in a previous incarnation, was the director of the Royal Small Arms Factory for a few years in the mid-80s. Thus he has an excellent knowledge of the site itself. David now manages the day-to-day operations with Mike Wehrmann reporting to him, with Mike having special responsibility for finance and marketing.

Although KONVER funding is approved it was not without difficulty. The Government Office for London wished the LBE to "endorse" our business plan. The LBE (Mike Kinghan), realising that this project was going ahead needed to do the necessary work so as to be able to endorse the bid. Consequently, a delay of at least a couple of months was incurred by the LBE going out to professional consultants (Gerald Eve). Gerald Eve endorsed our business case and subsequently confirmed this to Government Office for London.

Thus, overall, the company has achieved its short term objectives and the project is a reality. I think it is appropriate to record my thanks to Michael Polledri, Martin Jewell and Mike Wehrmann, without whom we would not have got to the stage we are at. I also look forward to working with David Morris as he puts in the necessary hard work to realise the project.



Gary Walker

Chairman, RSA Island Village Limited

11 January 1999

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the period ended 31st March 1998.

**INCORPORATION DATE &
COMMENCEMENT OF TRADING**

The company was incorporated on 20th March 1997 and commenced activities on 23rd May 1997. The company has no share capital, but is limited by guarantee of each of the members, up to a maximum of £1 each. The company was formed in order to develop a site at the former Royal Small Arms factory, Enfield. The development was financed initially by a loan from the Enfield Enterprise Agency and the directors time lent to the project was sponsored by their own companies.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was property development and to generate funds to assist in economic development. Such funds are to be channelled through the Enfield Enterprise Agency, whilst the Agency exists for this purpose.

REVIEW OF BUSINESS

The directors consider the results achieved on the ordinary activities before taxation to be in line with expectations.

RESULTS

The results for the period are set out on page 5. The company is limited by guarantee and does not have shareholders. Dividends are, therefore, not payable.

**EVENTS SINCE THE
END OF THE PERIOD**

The directors are pleased to report that the project has been authorised by the Government Office for London for grant assistance towards certified eligible costs. The grant financed by the European Regional Development Fund is subject to a maximum of 45% of expenditure and may not exceed £1.9M.

DIRECTORS

The directors of the company during the period were:

Mr M F Jewell (Appointed on 20.3.1997)
 Mr M A Polledri (Appointed on 20.3.1997)
 Mr G J Walker (Appointed on 20.3.1997)
 Mr M F Wehrmann (Appointed on 20.3.1997; Resigned 23.3.1998)
 Company Directors Limited (App. & Res. 20.3.1997)

Mr D J Morris was appointed on 15 April 1998.

**DIRECTORS'
RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each 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:

- select suitable accounting policies and then apply them consistently;

Continued/....

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

REPORT OF THE DIRECTORS
(continued)

**DIRECTORS'
RESPONSIBILITIES**
(continued)

- make judgements and estimates that are reasonable and prudent;
- prepare 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 reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with the Companies Act 1985, a resolution proposing the re-appointment of Richard Anthony & Company as Auditors to the Company will be put to the forthcoming Annual General Meeting.



Secretary - Mrs J C Collett

Approved by the Board on this 12 day of Jan 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF**RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2 and 3 the company's directors are 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 31st March 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Richard Anthony & Company
Chartered Accountants and
Registered Auditors
13 Station Road
Finchley
London N3 2SB

Dated this 14th day of January 1999

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 20TH MARCH 1997 TO 31ST MARCH 1998

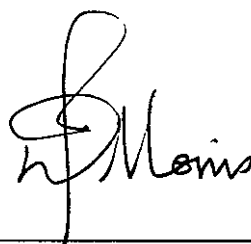
	<u>NOTES</u>	<u>£</u>
TURNOVER	1(b)	-
Administrative Expenses		33,576
		<hr/>
OPERATING LOSS	3	(33,576)
Interest Receivable and Similar Income	6	3,678
Interest Payable and Similar Charges	7	(2,084)
		<hr/>
LOSS on ordinary activities before Taxation	2	(31,982)
TAXATION	8	-
		<hr/>
LOSS on ordinary activities after Taxation		(31,982)
		<hr/> <hr/>

The company has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

BALANCE SHEET AS AT 31ST MARCH 1998

	<u>NOTES</u>	<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible Assets	1(c),9		209,973
CURRENT ASSETS			
Debtors	11	8,023	
Cash at Bank and In Hand		503,216	
		<hr/>	
		511,239	
CREDITORS: Amounts falling due within one year	12	252,194	
		<hr/>	
NET CURRENT ASSETS			259,045
			<hr/>
NET ASSETS			469,018
			<hr/> <hr/>
CAPITAL AND RESERVES			
Development Reserve	13		501,000
Profit and Loss Account	13		(31,982)
			<hr/>
FUNDS	14		469,018
			<hr/> <hr/>



) Director

Approved by the Board on the 12th day of January 1999

The notes on pages 7 to 10 form an integral part of these financial statements

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1998

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the appropriate accounting standards. They include the results of the company's operations which are described in the Directors Report, all of which are continuing.

(b) Turnover

The company received no revenue income in the period.

(c) Tangible Fixed Assets

The company's interest in land & buildings represents the cost of property acquired, together with development costs which have been capitalised. No amortisation has been provided for, as the development has not yet been completed.

(d) Cash Flow Statement

The company qualifies as a small company as defined in Section 247 of the Companies Act 1985 and is, therefore, exempt from preparing a Cash Flow Statement as specified by Financial Reporting Standard No. 1.

(e) Development Costs

The development property is stated at the lower of costs and net realisable value. Costs include all direct costs of development.

(f) Royal Small Arms Factory Development Reserve

The Reserve will be released to the profit & loss account over the useful economic life of the project to develop the acquired site.

2. LOSS BEFORE TAXATION

The loss before taxation is attributable to the one principal activity of the company, and all expenses arose in respect of continuing activities.

3. OPERATING LOSS

The operating loss is stated after charging:

Auditors' Remuneration

1998
£

1,500

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1998
(Continued)

4. STAFF COSTS

Staff costs, including directors remuneration
were as follows: 1998
£

Wages & Salaries -

The average monthly number of employees during the year, including directors, was as follows:

Office & Management -

5. DIRECTORS REMUNERATION

Directors remuneration excluding employers
National Insurance amount to: 1998
£

Aggregate Emoluments Nil

The company paid a total of £38,896 to Mr M F Wehrmann during the year for consultancy work. This sum comprises of 22 months work and includes fees in respect of the period prior to incorporation. The pre-incorporation payments made to him, prior to his appointment as a director, have been capitalised in the balance sheet within fixed assets. The remaining fees have been classified as "consultancy fees" within administrative expenses.

6. INTEREST RECEIVABLE AND SIMILAR INCOME 1998
£

Bank Interest Receivable 3,678

7. INTEREST PAYABLE AND SIMILAR CHARGES 1998
£

Loan Interest 2,084

8. TAXATION

The tax charge on the loss on ordinary activities
for the period was as follows: 1998
£

United Kingdom Corporation Tax -

There is no tax charge for the period as a result of the losses available.

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1998

(Continued)

9. TANGIBLE FIXED ASSETS

	Freehold Land & Building
	<u>£</u>
Cost:	
Development Costs during the Period and at 31st March 1998	209,973
Net Book Value:	
At 31st March 1998	209,973

In the opinion of the directors the market value of the freehold land and buildings at 31st March 1998 was £Nil.

10. CAPITAL COMMITMENTS

The company had commissioned for certain reconstruction work to be carried out at the former Royal Small Arms factory site. Responsibility for individual contracts had been passed to the company's professional team, but the total value was limited to a maximum of £306,000.

11. DEBTORS	<u>1998</u>
	<u>£</u>
Prepayments	8,023

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1998</u>
	<u>£</u>
Trade Creditors	118,707
Other Taxation and Social Security	65,868
Accruals	67,619
	<u>252,194</u>

RSA ISLAND VILLAGE LIMITED
A Company Limited By Guarantee

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1998
(Continued)

13. RESERVES

	Royal Small Arms Factory Development Reserve	Profit and Loss Account
	<u>£</u>	<u>£</u>
Loss for the period	-	(31,982)
Increase during the period	501,000	-
	<hr/>	<hr/>
At 31st March 1998	501,000	(31,982)
	<hr/>	<hr/>

**14. RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS' FUNDS**

	<u>1998</u> <u>£</u>
Loss for the Financial Period	(31,982)
Increase in Development Reserve	501,000
	<hr/>
Net Addition to Funds	469,018
	<hr/>

15. CONTINGENT LIABILITIES

There are no contingent liabilities to the knowledge of the directors.

16. RELATED PARTY TRANSACTIONS

- (a) Mr M F Jewell is a director of Fairview Estates (Housing) Limited. The company received a sum of £501,000 as a development reserve, which was obligated prior to Mr M F Jewell becoming a director of Fairview Estates (Housing) Limited and purchased its development property for £1,000, from Fairview New Homes plc. No monies were owing to or from either Fairview Estates (Housing) Limited or Fairview New Homes plc at the balance sheet date.
- (b) Mr M F Wehrmann, Mr M A Polledri and Mr G J Walker are directors of Enfield Enterprise Agency Limited. Enfield Enterprise Agency Limited granted the company a loan of £28,141 for pre-incorporation consultancy fees, which was fully repaid during the year. Loan interest of £2,083.97 (at commercial rates) was paid to the Agency.

17. POST BALANCE SHEET EVENTS

There were no significant post Balance Sheet events which materially affect the state of the company's affairs.

18. ULTIMATE CONTROLLING PARTY

The company has four members who each have equal voting rights. The ultimate controlling party of the company cannot, therefore, be identified.