

ARKAIM DEVELOPMENT COMPANY LIMITED

ACCOUNTS

31 December 1999

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N R PULVER & CO
Chartered Accountants

193 Sparrows Herne
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WD2 1AJ

Company Registration Number 2648642



ARKAIM DEVELOPMENT COMPANY LIMITEDREPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and the accounts of the Company for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was that of management and ownership of property at 50 Clanricarde Gardens, London W2 as head lessees.

REVIEW OF THE BUSINESS

The results of the Company for the year under review are shown on page 2. The state of the Company's affairs at 31 December 1999 was satisfactory.

DIRECTORS

The directors in office during the year and their interest in the issued ordinary share capital of the Company were as follows:-

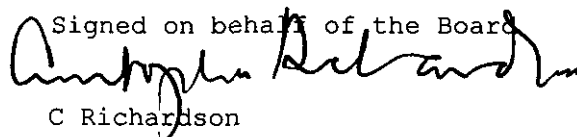
	<u>31 December 1999</u>	<u>1 January 1999</u>
L Hargreaves (resigned 05.09.1999)	-	250
C Richardson	500	500

FIXED ASSETS

Details of changes to the fixed assets of the Company are shown at note 5 to the accounts.

DIVIDENDS

The directors do not recommend the payment of a dividend for the financial year currently under review.

Signed on behalf of the Board

C Richardson

Chairman 15 September 2000

ARKAIM DEVELOPMENT COMPANY LIMITEDProfit and Loss Account
Year ended 31 December 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
		£	£
Turnover	2	35,698	4,560
Administration & General Expenses		(34,901)	(5,977)
		-----	-----
Operating Profit/(loss)	3	797	(1,417)
Interest receivable		149	288
		-----	-----
Profit/(loss) before taxation		946	(1,129)
Taxation	4	(30)	(61)
		-----	-----
Profit/(loss) on ordinary activities after taxation		916	(1,190)
		=====	=====

Movements on reserves are shown in note 10.

None of the Company's activities were acquired or discontinued during the financial year.

The Company made no recognised gains or losses in the year ended 31 December 1999 other than the profit for the year.

The notes on pages 4 and 5 form part of these accounts.

ARKAIM DEVELOPMENT COMPANY LIMITEDBalance Sheet
31 December 1999

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
FIXED ASSETS	5		
Tangible assets		881	890
CURRENT ASSETS			
Debtors	6	6,445	17,113
Cash at bank and in hand		9,018	5,473
		-----	-----
		15,463	22,586
CREDITORS	7		
Amounts due within one year		16,132	12,180
		-----	-----
NET CURRENT LIABILITIES		(669)	10,406
		-----	-----
		212	11,296
Provision for liabilities and charges	8	-	12,000
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		212	(704)
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account	10	(788)	(1,704)
		-----	-----
SHAREHOLDERS FUNDS	11	212	(704)
		=====	=====

In approving these financial statements as a director of the Company, I hereby confirm:-

- a) that for the year in question the Company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the Company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31 December 1999; and
- c) that I acknowledge our responsibilities for:-
 - (i) ensuring that the Company keeps accounting records which comply with section 221, and
 - (ii) preparing accounts 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 profit for the year then ended and which otherwise comply with the provisions of Section 226 of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

The notes on pages 4 and 5 form part of these accounts.

C Richardson
.....  Director

Approved by the Board on 15 September 2000

ARKAIM DEVELOPMENT COMPANY LIMITEDNotes to the AccountsYear ended 31 December 1999

1 ACCOUNTING POLICIES

- a. The accounts have been prepared under the historical cost convention.
- b. Turnover represents rents and service charges receivable during the year.
- c. Depreciation is provided over the expected useful lives of fixed assets, at the following rates:-

The term of the head lease is 120 years from 29 September 1978. The cost of the head lease is therefore amortised over the remaining years of the lease.

- d. Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.
- e. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

2 TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the Company, which is as stated in the report of the directors.

	<u>1999</u>	<u>1998</u>
	£	£
3 OPERATING PROFIT		

The operating profit is stated after charging:-

Depreciation	9	9
	=====	=====

4 TAXATION

Corporation tax at small companies rates	30	61
	=====	=====

5 FIXED ASSETS

	<u>Head Lease</u>
Cost at 1.1.1999 and 31.12.1999	935
	=====
Depreciation at 1.1.1999	45
Charge for year	9

Depreciation at 31.12.1999	54
	=====
Net Book Value at 1.1.1999	890
	=====
Net Book Value at 31.12.1999	881
	=====

ARKAIM DEVELOPMENT COMPANY LIMITEDNotes to the Accounts
Year ended 31 December 1999

	<u>1999</u>	<u>1998</u>
	£	£
6 DEBTORS		
Trade debtors	5,792	16,459
Prepayments	653	654
	-----	-----
	6,445	17,113
	=====	=====
7 CREDITORS - Amounts due within one year		
Bank overdraft	-	3
Trade creditors and accruals	15,744	11,797
Loans	350	350
Corporation tax	38	30
	-----	-----
	16,132	12,180
	=====	=====
8 SINKING FUND		
Balance 1 January 1999	12,000	12,000
Utilised in year	(12,000)	-
	-----	-----
Balance at 31 December 1999	-	12,000
	=====	=====
9 CALLED UP SHARE CAPITAL		
Authorised, allotted, issued and fully paid 1000 Ordinary shares of £1 each	1,000	1,000
	=====	=====
10 RESERVES		
Balance brought forward	(1,704)	(514)
Profit for the year	916	(1,190)
	-----	-----
Balance carried forward	(788)	(1,704)
	=====	=====
11 MOVEMENT OF SHAREHOLDERS FUNDS		
Profit for the year	916	(1,190)
Opening shareholders funds	(704)	486
	-----	-----
Closing shareholders funds	212	(704)
	=====	=====