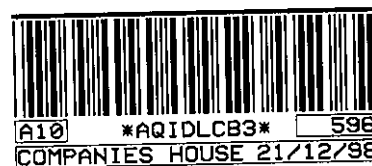


PRIORY COURT (FARNHAM) RESIDENTS ASSOCIATION LTD

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 1998

KENNETH G SHAW  
CHARTERED ACCOUNTANT  
9 PINE VIEW CLOSE  
CHILWORTH  
GUILDFORD  
SURREY GU4 8RS



PRIORY COURT (FARNHAM) RESIDENTS ASSOCIATION LTD

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PRIORY COURT (FARNHAM) RESIDENTS ASSOCIATION LTD

REPORT OF THE DIRECTORS

The Directors present their report together with financial statements for the year ended 30th June 1998.

1. Principal Activities

The principal activity of the Company was to manage the flats at Priory Court, 1 Frensham Road, Farnham, Surrey.

2. Accounting Policies

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

3. Responsibilities of the Directors

It is the responsibility of the Directors to prepare financial statements which present a true and fair view of the state of the company's affairs and of its revenue surplus. The Directors are also responsible for maintaining adequate accounting records which will assist in preventing or detecting irregularities or fraud.

4. Directors

The Directors who held office during the year are listed below together with details of their interest in the shares of the company.

	1998 Ord Shares	1997 Ord Shares
T A Rolfe	1	1
R N Sturgess	1	1
G C Williamson	1	1
J Wing	1	1

5. Auditor

In accordance with S385 of the Companies Act 1985 a resolution proposing the re-appointment of Mr K G Shaw, chartered accountant and registered auditor, as auditor to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



Secretary

250 High Street  
GUILDFORD  
Surrey GU1 3JG

Date..6.11.98...

AUDITOR'S REPORT TO THE MEMBERS OF  
PRIORY COURT (FARNHAM) RESIDENTS ASSOCIATION LTD

I have audited the financial statements on pages 3 and 4 which have been prepared under the historical cost convention and the accounting policies set out on page 1.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion based on my audit on those statements and to report my opinion to you.

Basis of Opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1998 and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

9 PINE VIEW CLOSE  
CHILWORTH  
GUILDFORD  
SURREY GU4 8RS

  
KENNETH G SHAW

CHARTERED ACCOUNTANT  
& REGISTERED AUDITOR

Date...1.9.98.....

PRIORY COURT (FARNHAM) RESIDENTS ASSOCIATION LTD

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30TH JUNE 1998

	<u>1998</u>	<u>1997</u>
Service Charges receivable	8080	8080
Special Levy receivable	1000	1000
Bank Interest received Gross	167	78
Buiding Society Interest Gross	120	63
	<hr/>	<hr/>
	9367	9221
 <u>Expenses</u>		
Insurance	1339	1369
Ground Rent	1000	1000
Lift Maintenance	1496	834
Repairs	(142)	3341
Cleaning	1114	821
Gardening	827	796
Electricity	175	200
Management Charges	1128	1128
Accountancy	180	180
Professional Fees	250	-
Bank Charges	4	65
Sundries	15	78
	<hr/>	<hr/>
	7386	9812
 Surplus/(Deficiency) for Year	<hr/> 1981	<hr/> (591)
Corporation Tax	60	32
	<hr/>	<hr/>
	1921	(623)
 Balance b/fwd	<hr/> 4490	<hr/> 5113
 Balance c/fwd	<hr/> 6411	<hr/> 4490

PRIORY COURT(FARNHAM) RESIDENTS ASSOCIATION LTD

BALANCE SHEET AT 30TH JUNE 1998

	<u>1998</u>	<u>1997</u>
<u>Current Assets</u>		
Debtors and Prepayments - note 1	2321	2058
Bank Reserve Account	3094	3694
Building Society	4003	2883
	<hr/>	<hr/>
	9418	8635
 <u>Current Liabilities</u>		
Bank Current Account	518	2393
Creditors - amounts falling due within one year - note 2	2409	1672
	<hr/>	<hr/>
	2927	4065
	<hr/>	<hr/>
NET ASSETS	6491	4570
	<hr/>	<hr/>
 <u>Represented by</u>		
Share Capital		
8 Ordinary Shares of £10 each		
Authorised, Issued and Fully paid	80	80
Income and Expenditure Account	6411	4490
	<hr/>	<hr/>
	6491	4570
	<hr/>	<hr/>

The Balance Sheet was approved by the Board of Directors on

Date...4/11/98...

Director......

Director......

PRIORY COURT (FARNHAM) RESIDENTS ASSOCIATION LTD

NOTES TO THE ACCOUNTS

30TH JUNE 1998

	<u>1998</u>	<u>1997</u>
1. <u>Debtors</u>		
Insurance in advance	706	841
Ground Rent in advance	750	750
Amount due by residents- see attached schedule 6		
Maintenance	275	-
Special Levy	140	40
Lift Maintenance	450	427
	<hr/>	<hr/>
	2321	2058
	<hr/>	<hr/>
2. <u>Creditors</u>		
Castlekeys	-	18
Cleaning	120	50
Management Fees	1702	574
Accountancy	180	180
Corporation Tax	60	32
Gardening	61	63
Electricity	41	-
Maintenance Charges		
in Advance - Sch 6	245	735
Special Levy in Advance - Sch 6	-	20
	<hr/>	<hr/>
	2409	1672
	<hr/>	<hr/>

3. Lease

The Head Lease in Priory Court, 1 Frensham Rd, Farnham, Surrey was transferred to the Company free of cost.

PRIORY COURT (FARNHAM) RESIDENTS ASSOCIATION LTD

30TH JUNE 1998

SCHEDULE OF RENTS/ARREARS

Flat	Owing (Advance) 1.7.97		Due for Year		Total Due		Paid		Owing (Advance) 30.6.98	
	Main	SL	Main	SL	Main	SL	Main	SL	Main	SL
1	-	-	980	120	980	120	980	120	-	-
2	-	-	980	120	980	120	980	120	-	-
3	-	-	980	120	980	120	980	120	-	-
4	(735)	(20)	980	120	245	100	490	-	(245)	100
5	-	-	980	120	980	120	980	120	-	-
6	-	-	980	120	980	120	980	120	-	-
7	-	40	1100	140	1100	180	825	140	275	40
8	-	-	1100	140	1100	140	1100	140	-	-
<hr/>										
	(735)	40 (20)	8080	1000	7345	1020	7315	880	275 (245)	140
<hr/>										

Charges due:

Flats  
1 - 6

Flats  
7 - 8

1st July. 1st Oct. 1st Jan

1st Apl

£245 Quarter

£275 "

980

1100

Special Levy due 1st Jan

120

140