

NIGHTINGALE AVENUE (West Horsley) Limited

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 1997

NIGHTINGALE AVENUE (WEST HORSLEY) Ltd. Registered Office Pucks Oak, Nightingale Avenue, West Horsley.
Registered in England & Wales No.3144389



NIGHTINGALE AVENUE (West Horsley) Limited

DIRECTORS REPORT FOR THE YEAR TO 31 DECEMBER 1997

The Directors present their report with the financial statements of the Company for the period ended 31 December 1997.

PRINCIPAL ACTIVITY

The principal activity of the company during the period under review included the replacement of a 15 sq. meter area of concrete roadway in the Avenue considered to be dangerous, the detailed planning and review of many matters relating to long term funding for road repairs and third party financial participation. An Extraordinary General Meeting was called in October to submit to shareholders proposals to provide a plan for long term repair and maintenance of the Avenue roadway in general.

Following shareholders views and requests expressed at this meeting, the Company arranged for our solicitors to obtain counsel's opinion regarding the legal position of vehicular traffic using Nightingale Avenue for access to the Raleigh School.

REVIEW OF BUSINESS

At the end of the year there were 44 shareholders. At that date, with the exception of two shareholders, all contributions for 1997 and subscriptions for share capital were paid up. Outstanding monies have been brought into these financial statements.

DIRECTORS AND OTHER INTERESTS

The Directors who held office during the period were as follows :-

| | | | |
|--------------------|-----------|----------------|-----------------------------|
| Ken Potter | Chairman | Linnet House | |
| Elizabeth Baker | Secretary | Pucks Oak | |
| Angela Cooper | Treasurer | Hawthorns | (Resigned 11 February 1997) |
| Donald W. Cameron | Treasurer | Sonning | (Appointed 3 March 1997) |
| Marcus Custance | | Roselands | (Appointed 3 November 1997) |
| Alan E. Dumbreck | | Heathways | |
| Kes Heffer | | Kayness | |
| Helen Horsman | | Kerslake | (Resigned 11 June 1997) |
| David J. Ridge | | The Finches | |
| Neil Rowatt | | Green Pastures | (Resigned 11 June 1997) |
| John G.E. Skidmore | | Craigemere | (Appointed 11 June 1997) |
| Malcolm D. Tutton | | Little Orchard | |

DIRECTORS' RESPONSIBILITIES

Company law requires 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 or loss for the period. 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; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors are responsible for maintaining 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.

BANKERS Lloyds Bank plc, 5 Ockham Road South, East Horsley, Surrey KT24 6QW

SOLICITORS Hedleys, 6 Bishopsmead Parade, East Horsley, Surrey KT24 6SR

REPORTING David M. Taylor FCA, Appin Cottage, 2 Beechwood Drive, Cobham, Surrey
ACCOUNTANT KT11 2DX

By order of the Board

Secretary :



E.A. Baker

Date : 31 March 1998

**ACCOUNTANT'S REPORT TO THE SHAREHOLDERS ON THE
UNAUDITED ACCOUNTS OF NIGHTINGALE AVENUE (WEST HORSLEY) LIMITED**

I report on the accounts for the year ended 31 December 1997 set out on pages five to eight.

Respective responsibilities of directors and reporting accountant

As described on page three, the Company's directors are responsible for the preparation of the accounts and they consider that the Company is exempt from audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

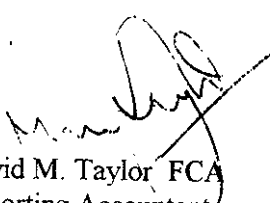
Basis of opinion

My work was conducted in accordance with the Statement of Standards for Reporting Accountants and so my procedures consisted of comparing the accounts with the accounting records kept by the Company and making such limited enquiries of the officers of the Company as I considered necessary for the purpose of this report. These procedures provide only the assurance expressed in my opinion.

Opinion

In my opinion:

- (a) the accounts are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:-
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249(6) of the Act; and
 - (ii) the Company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).


David M. Taylor FCA
Reporting Accountant

Date : 23 March 1998

Appin Cottage
2 Beechwood Drive
Cobham
Surrey KT11 2DX

NIGHTINGALE AVENUE (West Horsley) Limited

INCOME AND EXPENDITURE ACCOUNT for the year to 31 December 1997

| INCOME | £ 1997 | £ 1996 |
|------------------------------------------------------------------|------------------|------------------|
| Amount transferred from Nightingale Avenue Residents Association | - | 2,713. 47 |
| Residents contributions relating to 1995 | - | 500. 00 |
| 1996 | - | 2,162. 50 |
| 1997 | 3,300. 00 | - |
| Interest | 73. 26 | 5. 91 |
| | <u>3,373. 26</u> | <u>5,381. 88</u> |
| EXPENDITURE | | |
| Professional fees and disbursements | 490. 00 | 1,010. 75 |
| Road and sign repairs | 1,720. 20 | 252. 64 |
| Verge maintenance | 142. 36 | 140. 00 |
| Insurance | 153. 75 | 128. 12 |
| Meeting expenses | 27. 50 | 26. 40 |
| Office expenses | 413. 71 | 110. 28 |
| Taxation | 18. 32 | 1. 36 |
| | <u>2,965. 84</u> | <u>1,669. 55</u> |
| Surplus transferred to accumulated funds | 407. 42 | 3,712. 33 |
| Accumulated funds brought forward | 3,712. 33 | ---- |
| Accumulated funds carried forward | 4,119. 75 | 3,712. 33 |

NIGHTINGALE AVENUE (West Horsley) Limited


BALANCE SHEET As at 31 December 1997

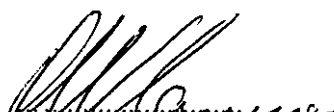
| | | £ 1997 | £ 1996 |
|----------------------------------------------------|----------|------------------|------------------|
| FIXED ASSETS | | | |
| Roadway | (Note 2) | 1. 00 | 1. 00 |
| CURRENT ASSETS | | | |
| Debtors | (Note 3) | 150. 00 | 280. 50 |
| Deposit account | | 3,904. 14 | 2,380. 88 |
| Current account | | 656. 26 | 1,183. 31 |
| CURRENT LIABILITIES | | | |
| Creditors : Amounts falling due within one year | (Note 4) | (547. 65) | (89. 36) |
| | | <u>4,163. 75</u> | <u>3,756. 33</u> |
| Represented by : | | | |
| SHARE CAPITAL | (Note 5) | 44. 00 | 44. 00 |
| ACCUMULATED FUNDS | | 4,119. 75 | 3,712. 33 |
| | | <u>4,163. 75</u> | <u>3,756. 33</u> |

The Directors have:-

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1)
- b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985
- d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its profit/loss (which ever is applicable) for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.
- e) (i) taken advantage of the exemptions conferred by Part III Of Schedule 8 of the Companies Act 1985 and
(ii) in their opinion the company is entitled to those exemptions the on basis that it qualifies as a small company.

Approved at a meeting of the Board on 27 March 1998

Signed 
K. Potter
Chairman


D.W. Cameron
Treasurer

NIGHTINGALE AVENUE (West Horsley) Limited

CASH FLOW STATEMENT - for the period ended 31 December 1997

| | | £ |
|--------------------------------------------|--------------------------------------------------------------------------------------------|------------------|
| Net cash flow from operating activities | A | 996. 21 |
| Net cash outflow from investing activities | | |
| Payment to acquire tangible fixed asset | | - |
| Increase in cash and cash equivalents | B | 996. 21 |
| A | Reconciliation of changes in resources to net cash inflow from operating activities | |
| | Changes in resources before revaluations | 407. 42 |
| | Decrease in debtors | 130. 50 |
| | Increase in creditors | 458. 29 |
| | Net inflow from operating activities | 996. 21 |
| B | Analysis of the changes in cash and cash equivalents during the period | 1997 |
| | Cash at bank and in hand | 4,560. 40 |
| | | Change in period |
| | | 996. 21 |

NIGHTINGALE AVENUE (West Horsley) Limited

Notes to the Financial Statements

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards.

2. FIXED ASSETS

The company's interest in freehold land, being Nightingale Avenue, West Horsley, Surrey was acquired from HM Treasury Solicitor and registered with HM Land Registry on 6 March 1996.

| | 1997 £ | 1996 £ |
|-----------------------------------|---------------|---------------|
| 3. DEBTORS | | |
| These consisted of :- | | |
| Resident's contributions for 1997 | 150. 00 | 262. 50 |
| Share capital | - | 18. 00 |
| | <hr/> 150. 00 | <hr/> 280. 50 |

4. CREDITORS

These consisted of :-

| | | |
|-----------------------------|---------------|--------------|
| Taxation | 18. 32 | 1. 36 |
| Verge maintenance | - | 17. 50 |
| Legal and professional fees | 500. 00 | 70. 50 |
| Office expenses | 29. 33 | - |
| | <hr/> 547. 65 | <hr/> 89. 36 |

5. SHARE CAPITAL

Authorised

| | | |
|----------------------|--------|--------|
| 50 Shares of £1 each | 50. 00 | 50. 00 |
|----------------------|--------|--------|

Issued

| | | |
|------------------------------|--------|--------|
| Fully paid shares of £1 each | 44. 00 | 44. 00 |
|------------------------------|--------|--------|

6. TAXATION

The taxation charge represents tax payable on interest income. The directors consider that the Company is otherwise not liable to taxation on the shareholder's contributions to upkeep of the property.