

Company No. 856480

THE BROOKFIELD FLATS COMPANY (GOSFORTH) LIMITED

REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 1998

JOHNSTONS

Chartered Accountants and Registered Auditor

1 Station Road

Forest Hall

Newcastle upon Tyne

NE12 8AN



THE BROOKFIELD FLATS COMPANY (GOSFORTH) LIMITED

DIRECTORS REPORT

The Directors have pleasure in submitting their Annual Report and Financial Statements of the company for the year ended 30 September 1998.

Principal activity

The principal activity of the company is that of property maintenance in respect of the 13 flats and 6 town houses. All properties are owner-occupied and the company is non-profit making.

Dividends

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year and their beneficial interests in the Ordinary Shares of the company were as follows:

	<u>30 September 1998</u>	<u>30 September 1997</u>
R Young	1	1
M M Biesterfeld	1	1
D P Hudson	1	1

Directors responsibilities

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, the directors are required to:

Select suitable accounting policies and then apply them consistently;
Make judgements and estimates that are reasonable and prudent;
Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
Prepare the accounts 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 accounts 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

A resolution will be proposed at the Annual General Meeting to re-appoint the auditors, Johnstons.

The above report has been prepared in accordance with the special provision of Part V11 of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD

SECRETARY

V. Morris
.....

Newcastle upon Tyne

Date 24.2.99

THE BROOKFIELD FLATS COMPANY (GOSFORTH) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 September 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



**JOHNSTONS
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITOR**

1 Station Road
Forest Hall
Newcastle upon Tyne
NE12 8AN

1 / 3 /1999

THE BROOKFIELD FLATS COMPANY (GOSFORTH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
TURNOVER	2	18,594	16,005
Maintenance costs		<u>17,686</u>	<u>24,091</u>
OPERATING SURPLUS/(DEFICIT)	3	908	(8,086)
Interest receivable	5	55	203
Interest payable	6	<u>17</u>	<u>-</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES		946	(7,883)
Taxation		<u>12</u>	<u>31</u>
Surplus/(Deficit) after taxation		934	(7,914)
Balance brought forward		<u>(2,048)</u>	<u>5,866</u>
BALANCE CARRIED FORWARD		<u>(1,114)</u>	<u>(2,048)</u>

The notes on pages 6 to 7 form part of these financial statements.

THE BROOKFIELD FLATS COMPANY (GOSFORTH) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CURRENT ASSETS			
Debtors	7	391	2,369
Cash at bank		1,116	5,235
Cash in hand		<u>258</u>	<u>347</u>
		<u>1,765</u>	<u>7,951</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>2,860</u>	<u>9,980</u>
NET CURRENT LIABILITIES		<u>(1,095)</u>	<u>(2,029)</u>
CAPITAL AND RESERVES			
Share capital	9	19	19
Profit and loss account		<u>(1,114)</u>	<u>(2,048)</u>
		<u>(1,095)</u>	<u>(2,029)</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standards for Smaller Entities.

M. N. Brookfield) DIRECTOR

The financial statements were approved by the Directors on Feb. 24 1999.

The notes on page 6 to 7 form part of these financial statements.

THE BROOKFIELD FLATS COMPANY (GOSFORTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 1998

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements of the company.

- a) Basis of accounting
The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities
- b) Cash flow statement
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.
- c) Taxation
The company is liable to corporation tax on investment income received.

2 TURNOVER

Turnover represents contributions received from the home owners.

3 OPERATING SURPLUS/(DEFICIT) AFTER CHARGING:

<u>1998</u>	<u>1997</u>
£	£
Auditors remuneration	
270	260
===	===

4 DIRECTORS REMUNERATION

Directors honorarium	450	-
	===	===

5 INTEREST RECEIVABLE

Bank interest	55	203
	==	===

6 INTEREST PAYABLE

Bank interest	17	-
	==	===

7 DEBTORS

Debtors	312	1,610
Prepayments	79	759
	391	2,369
	===	===

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors and accruals	640	5,064
Deferred income	2,220	4,916
	2,860	9,980
	===	===

THE BROOKFIELD FLATS COMPANY (GOSFORTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 1998 (continued)

9 CALLED UP SHARE CAPITAL

<u>Authorised</u>	<u>1998</u>	<u>1997</u>
	£	£
19 Ordinary Shares of £1 each	19	19
	==	==
<u>Allotted</u>		
19 Ordinary Shares of £1 each	19	19
	==	==

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

Profit and loss account brought forward, as previously reported	(2,728)	5,186
Prior year adjustment	<u>680</u>	<u>680</u>
	(2,048)	5,866
Surplus/(deficit) for the year	<u>934</u>	<u>(7,914)</u>
	<u>(1,114)</u>	<u>(2,048)</u>

The prior year adjustment relates to the element of the British Gas Contract paid in advance. In prior years this prepayment was not reflected in the accounts.