

**Rowena Road Estate Management Limited**  
**Directors' Report and Financial Statements**  
**For the year ended 31 March 2002**

**Company Registration Number - 0871237**



# **Rowena Road Estate Management Limited**

## **Directors and Advisers**

### **Chairman**

A W Stevens

### **Directors**

A W Stevens  
Dr M Lewis  
Dr D Crouch  
Mrs Y Ferguson  
Mr W Launder  
Mr T Scutts

### **Company Secretary**

Mrs N Hooper (resigned 19 April 2002)  
Mr A Duplock (appointed 19 April 2002)

### **Registered Office**

30 Danehurst  
Rowena Road  
Westgate-on-Sea  
Kent CT8 8QQ

### **Financial Advisers**

Reeves and Neylan  
Montague Place  
Quayside  
Chatham Maritime  
Kent ME4 4QU

### **Bankers**

Barclays Bank Plc  
East Kent Area  
9 St George's Street  
Canterbury  
Kent CT1 2JX

## Rowena Road Estate Management Limited

### Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2002.

#### Principal Activity

The principal activity of the Company is to manage and supervise the maintenance of the property occupied by the Members.

#### Annual General Meeting

All Members are urged to attend the Annual General Meeting so that they can be informed on matters affecting the Company and the property under its care.

#### Directors

The Directors of the Company during the period and their interests in the shares of the company as recorded in the register of Directors' interests were as follows:

|                | 31 March 2002<br>ORDINARY SHARES | 31 March 2001<br>ORDINARY SHARES |
|----------------|----------------------------------|----------------------------------|
| Dr M Lewis     | 1                                | 1                                |
| Mr A W Stevens | 3                                | 3                                |
| Dr D Crouch    | 2                                | 2                                |
| Mrs Y Ferguson | 1                                | 1                                |
| Mr T Scutts    | 2                                | 2                                |
| Mr W Launder   | 1                                | 1                                |

#### Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs to the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

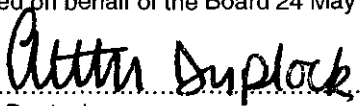
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

#### Small Company Rules

These accounts are 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 Standard for Smaller Entities.

Signed on behalf of the Board 24 May 2002

  
Mr A Duplock  
Secretary

# Rowena Road Estate Management Limited

## General Reserve Fund Account

For the year ended 31 March 2002

|                                                                 | NOTES | 2002<br>£        | 2001<br>£         |
|-----------------------------------------------------------------|-------|------------------|-------------------|
| Income                                                          |       | 28,273.74        | 15,043.70         |
| Administrative expenses                                         |       | <u>12,443.31</u> | <u>20,201.79</u>  |
| <b>Operating Surplus/(Deficit)</b>                              |       | <b>15,830.43</b> | <b>(5,158.09)</b> |
| Gross Interest Receivable                                       |       | <u>26.58</u>     | <u>90.70</u>      |
| <b>Surplus/(Deficit) on Ordinary Activities before taxation</b> |       | <b>15,857.01</b> | <b>(5,067.39)</b> |
| Taxation                                                        | 1     | <u>-</u>         | <u>95.39</u>      |
| <b>Surplus/(Deficit) on Ordinary Activities after taxation</b>  |       | <b>15,857.01</b> | <b>(4,972.00)</b> |
| Transfer to Capital Works Fund                                  |       | <u>15,800.00</u> | <u>-</u>          |
| Surplus/(Deficit) on General Reserve Fund                       |       | 57.01            | (4,972.00)        |
| General Reserve brought forward                                 |       | <u>28.00</u>     | <u>5,000.00</u>   |
| General Reserve carried forward                                 |       | <u>85.01</u>     | <u>28.00</u>      |

The notes on pages 5 – 7 form part of these financial statements

# Rowena Road Estate Management Limited

## Balance Sheet as at 31 March 2002

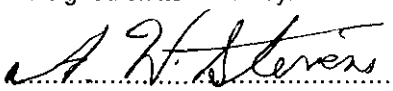
|                                       | Notes | £                | 2002<br>£        | £               | 2001<br>£        |
|---------------------------------------|-------|------------------|------------------|-----------------|------------------|
| <b>Fixed Assets</b>                   |       |                  |                  |                 |                  |
| Freehold Property                     | 2     |                  | 16,729.64        |                 | 16,729.64        |
| <b>Current Assets</b>                 |       |                  |                  |                 |                  |
| Prepayments                           |       | 1,233.18         |                  | 1,156.42        |                  |
| Bank Balances                         |       | 16,777.44        |                  | 2,621.49        |                  |
| Cash with Solicitors                  |       | 787.65           |                  | 777.84          |                  |
| Petty Cash                            |       | <u>331.46</u>    |                  | <u>77.22</u>    |                  |
|                                       |       | <b>19,129.73</b> |                  | <b>4,632.97</b> |                  |
| <b>Creditors:</b>                     |       |                  |                  |                 |                  |
| Amounts falling due within on year    | 3     | <u>1,083.36</u>  |                  | <u>3,643.61</u> |                  |
| <b>Net Current Assets</b>             |       |                  | <b>18,046.37</b> |                 | <b>989.36</b>    |
| Total assets less Current Liabilities |       |                  | <b>34,776.01</b> |                 | <b>17,719.00</b> |
| <b>Creditors:</b>                     |       |                  |                  |                 |                  |
| Amounts falling due after one year    | 3     |                  |                  |                 |                  |
| Loan from Members                     |       |                  | <u>17,400.00</u> |                 | <u>16,200.00</u> |
|                                       |       |                  | <b>17,376.01</b> |                 | <b>1,519.00</b>  |
| <b>Capital and Reserves</b>           |       |                  |                  |                 |                  |
| Called up share capital               | 4     |                  | 41.00            |                 | 41.00            |
| Members deposits                      |       |                  | 1,450.00         |                 | 1,450.00         |
| Capital Works Fund                    |       |                  | 15,800.00        |                 | -                |
| General Reserve Fund                  |       |                  | <u>85.01</u>     |                 | <u>28.00</u>     |
| <b>SHAREHOLDERS' FUNDS</b>            | 5     |                  | <b>17,376.01</b> |                 | <b>1,519.00</b>  |

The directors have taken advantage of the exemption conferred by s249A(1) not to have these accounts audited and confirm that no notice has been deposited under s249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (i) Ensuring that the company keeps accounting records which comply with s221 of the Companies Act 1985, and
- (ii) Preparing Accounts which give a true and fair view of the state of the affairs of the company as at 31 March 2001 and of its surplus for the financial period then ended in accordance with the requirements of s226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to smaller companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March, 2000) were approved by the board on 24 May 2002 and signed on its behalf by:-

  
A W Stevens – Chairman

The notes on pages 5 to 7 form part of these financial statements

## **Rowena Road Estate Management Limited**

### **Principal accounting policies**

The financial statements have been prepared in accordance with applicable statements of standard accounting practice and financial reporting standards in force in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

### **Basis of accounting**

The accounts have been prepared under the historical cost convention.

### **Income**

Income represents amounts received from members as contributions towards maintenance.

### **Depreciation**

No depreciation has been charged on the company's freehold property. The directors consider such a charge would be immaterial when taking into account the residual value of the reversionary interest in the property owned by the company.

### **Account format**

The accounts format adopted by the company is not strictly in accordance with the formats required by the Companies Act 1985, as the directors consider that the formats laid down by the Act would not necessarily show a true and fair view of the affairs of the company.

The directors consider that the format adopted for the general reserve fund is more suitable for the company's activities and gives a greater explanation of the company's affairs than the Companies Act format.

### **Cash flow statement**

The Directors have decided to implement the recommendation of the Financial Reporting Standard 1 (FRS1). The company falls within the definition of a "small company" laid down by the Companies Act 1985 and is accordingly exempt by FRS1 from publishing a cashflow statement.

# Rowena Road Estate Management Limited

## Notes to the Financial Statements for the year ended 31 March 2002

### 1 TAXATION

The company's activities, in so far as it receives contributions from its members for the maintenance and management of the flats at Danehurst, Rowena Road, are mutual for taxation purposes. The surplus arising on such activities in the year is therefore not taxable. The Inland Revenue have also, by concession and subject to a number of conditions, agreed that no liability arises in respect of interest received by the company.

|                                                   | 2002<br>£ | 2001<br>£    |
|---------------------------------------------------|-----------|--------------|
| <b>Recoverable (Payable)</b>                      |           |              |
| On deposit account interest received in the year: |           |              |
| Corporation tax 20%/21%                           | <u>-</u>  | <u>95.39</u> |

### 2 FIXED ASSETS

|                                                 | Freehold Property<br>£ |
|-------------------------------------------------|------------------------|
| Cost as at 31 March 2001 and 2002               | <u>16,729.64</u>       |
| Depreciation                                    | <u>-</u>               |
| Written down value as at 31 March 2001 and 2002 | <u>16,729.64</u>       |

During 2000, the company acquired the freehold reversion of the property at Rowena Road on behalf of the members. This property is included within the financial statements at cost.

### 3 CREDITORS

|                                          | 2002<br>£        | 2001<br>£        |
|------------------------------------------|------------------|------------------|
| Amounts falling due within one year:     |                  |                  |
| Accruals                                 | 432.83           | 501.25           |
| Maintenance and contributions in advance | 233.87           | 2,600.71         |
| Provision for window replacement         | <u>416.66</u>    | <u>541.65</u>    |
|                                          | <u>1,083.36</u>  | <u>3,643.61</u>  |
| Amounts falling due after one year       |                  |                  |
| Loans from Members                       | <u>17,400.00</u> | <u>16,200.00</u> |

In order to finance the purchase of freehold property, the company received loans from the Members. These loans are interest free and are not repayable until such time that Members sell their interest in the property.

### 4 SHARE CAPITAL

|                                        | 2002 and 2001       |        |
|----------------------------------------|---------------------|--------|
|                                        | Number of<br>shares | £      |
| <b>Authorised</b>                      |                     |        |
| Ordinary shares of £1 each             | 100                 | 100.00 |
| <b>Allotted, issued and fully paid</b> |                     |        |
| Ordinary shares of £1 each             | 41                  | 41.00  |

## Notes to the financial statements (cont'd)

### 5 RECONCILIATION OF MOVEMENT IN MEMBERS FUNDS

Members maintenance deposits are allocated to reserves in the year in which they are received.

|                                            | 2002<br>£        | 2001<br>£       |
|--------------------------------------------|------------------|-----------------|
| General fund Surplus(Deficit) for the year | 57.01            | (4,972.00)      |
| Transfer to Capital Works Fund             | 15,800.00        | -               |
| Members funds at 1 April 2001              | <u>1,519.00</u>  | <u>6,491.00</u> |
| Members funds at 31 March 2002             | <u>17,376.01</u> | <u>1,519.00</u> |

During the year the directors have established a capital works fund with the purpose of accumulating sufficient funds to undertake agreed capital work to the company's freehold property.

### 6 CAPITAL COMMITMENTS

In 2000, the company directors instigated a detailed condition survey of the members property to identify all work required to ensure the property is appropriately maintained on behalf of the members over the foreseeable future.

This condition survey identified work required to the property to meet this requirement, which is estimated to cost £100,000 over the next four years.

# Rowena Road Estate Management Limited

## Income and Expenditure Account

For the year ended 31 March 2002

|                                | 2002<br>£        | 2001<br>£         |
|--------------------------------|------------------|-------------------|
| <b>EXPENDITURE</b>             |                  |                   |
| Capital Works on Property      | 4,704.50         | 11,395.24         |
| General maintenance            | 885.62           | 2,245.97          |
| Lift maintenance               | 2,432.59         | 1,985.54          |
| Electricity                    | 239.09           | 113.04            |
| Insurance                      | 1,244.26         | 1,377.59          |
| Accountancy                    | 352.50           | 470.00            |
| Bank charges and interest      | 118.40           | 115.50            |
| Cleaning                       | 1,041.25         | 1,105.00          |
| Gardening                      | 702.60           | 657.05            |
| Filing fee                     | 15.00            | 15.00             |
| General expenses               | 161.54           | 124.88            |
| Printing, post and stationery  | 545.96           | 568.08            |
| Ground rent paid               | -                | 28.90             |
|                                | <u>12,443.31</u> | <u>20,201.79</u>  |
| <b>INCOME</b>                  |                  |                   |
| Amounts from shareholders:-    |                  |                   |
| Ground rent                    | 57.00            | 56.90             |
| Maintenance Charges payable    | <u>28,216.74</u> | <u>14,986.80</u>  |
|                                | 28,273.74        | 15,043.70         |
| Deposit interest               | <u>26.58</u>     | <u>90.70</u>      |
|                                | <u>28,300.32</u> | <u>15,134.40</u>  |
| Surplus/(Deficit) for the year | <u>15,857.01</u> | <u>(5,067.39)</u> |