

Company Registration No. 2067821 (England and Wales)

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 23 JUNE 2000



2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

Directors

P M Hewett
L A Hankins
D H Williams
E Kangesu
P Sobieszczuk
D A Cannell (Appointed 24 September 1999)

Secretary

J M Peartree

Company number

2067821

Registered office

Flat 1 4 Orsett Terrace
London
W2 6AZ

Auditors

Roger H Noble & Co
82 Maldon Road
Burnham on Crouch
Essex
CM0 8NP

Bankers

National Westminster Bank Plc
16a Westbourne Grove
London
W2 5WG

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

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2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 23 JUNE 2000

The directors present their report and financial statements for the year ended 23 June 2000.

Principal activities

The principal activity of the company continued to be that of managing the property at 2 - 14 Orsett Terrace on behalf of the lessees.

Year 2000

The directors have considered whether the company's operations could be adversely affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000 and beyond.

No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems. No problems have been experienced since 1 January 2000 either by the company or its customers and suppliers.

Directors

The following directors have held office since 24 June 1999:

P M Hewett

L A Hankins

D H Williams

E Kangesu

P Sobieszczuk

D Chappelow

D A Cannell

(Resigned 24 September 1999)

(Appointed 24 September 1999)

Directors' interests

The directors are all members and are therefore required to subscribe £1 in the event that the company is put into liquidation.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Roger H Noble & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 23 JUNE 2000

Directors' responsibilities

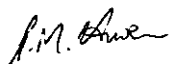
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



.....
P M Hewett

Director

21 AUGUST 2000

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF 2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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.

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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 23 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Roger H Noble & Co

Chartered Accountants
Registered Auditor

15 August 2000

82 Maldon Road
Burnham on Crouch
Essex
CM0 8NP

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 23 JUNE 2000

		2000 £	1999 £
	Notes		
Turnover		82,098	73,873
Administrative expenses		(83,382)	(75,238)
Operating loss	2	(1,284)	(1,365)
Other interest receivable and similar income	3	2,462	3,570
Interest payable and similar charges		(862)	(1,842)
Profit on ordinary activities before taxation		316	363
Tax on profit on ordinary activities	4	(316)	(363)
Loss on ordinary activities after taxation	9	-	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 23 JUNE 2000

	2000 £	1999 £
Unrealised surplus on revaluation of properties	73,151	48,151
Total recognised gains and losses relating to the year	73,151	48,151

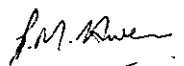
2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT 23 JUNE 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	5		150,000		125,000
Current assets					
Debtors	6	3,312		2,340	
Cash at bank and in hand		45,897		41,811	
		<u>49,209</u>		<u>44,151</u>	
Creditors: amounts falling due within one year	7	<u>(60,756)</u>		<u>(57,603)</u>	
Net current liabilities			<u>(11,547)</u>		<u>(13,452)</u>
Total assets less current liabilities			138,453		111,548
Creditors: amounts falling due after more than one year	8		<u>(65,302)</u>		<u>(63,397)</u>
			<u>73,151</u>		<u>48,151</u>
Capital and reserves					
Revaluation reserve	9		73,151		48,151
Shareholders' funds - equity interests	10		<u>73,151</u>		<u>48,151</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 21 AUGUST 2000



P M Hewett
Director

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 23 JUNE 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for services provided.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold

No depreciation is charged.

1.5 Freehold Property

On the 20 September 1991 the company acquired the freehold of 2-14 Orsett Terrace. This purchase was financed by loans from 22 leaseholders and the company's bankers. The bank loan has been serviced by contributions from the remaining leaseholders to cover both the interest and capital repayments. It had been intended that, when the bank loan was repaid in 1999, the company would extend the original 125 year leases to those with a term of 999 years. At the annual general meeting on 24 September 1999 it was resolved to defer this decision as it appeared that proposed new legislation may considerably simplify the legal process involved.

From 20 September 1991 no ground rents have been collected from the leaseholders.

On 20 November 1992 the company acquired the leasehold of the caretakers flat. The premises were previously leased by the company and an appropriate amount included in the service charge to cover this expenditure. With effect from 20 November 1992 an amount has been included in the service charge to cover the repayments to the company's bankers for the loan made to finance the acquisition. The interest element of this charge has been treated as a reimbursement of loan interest and the balance i.e. the capital element as a loan from subscribers.

1.6 Company limited by guarantee

The company is limited by guarantee with all sixty seven leaseholders being members. In the event of a liquidation the members undertake to contribute an amount not exceeding £1.

1.7 Provision for major works

In order to level out the annual service charge made to leaseholders the company makes an annual provision for major works to meet the cost of major renovations. In the current year a charge was made of £10,376 (1999 - £10,083) and the provision at the year end amounted to £39,895 (1999 - £29,519).

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 23 JUNE 2000

2	Operating loss	2000	1999
		£	£
	Operating loss is stated after charging:		
	Auditors' remuneration	2,263	2,197
		<u>2,263</u>	<u>2,197</u>
3	Other interest receivable and similar income	2000	1999
		£	£
	Bank interest	1,600	1,728
	Other interest	862	1,842
		<u>2,462</u>	<u>3,570</u>
4	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 21%)	320	363
	Prior years		
	U.K. corporation tax	(4)	-
		<u>316</u>	<u>363</u>

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 23 JUNE 2000

5 Tangible fixed assets

	Land and buildings Freehold £
Cost or valuation	
At 24 June 1999	125,000
Revaluation	25,000
At 23 June 2000	150,000
Depreciation	
At 24 June 1999 & at 23 June 2000	-
Net book value	
At 23 June 2000	150,000
At 23 June 1999	125,000

The company's freehold property is revalued annually on 23 June. On 23 June 2000 the directors considered the value to be £150,000.

On an historical cost basis this would have been included at an original cost of £76,849 (1999 - £76,849).

6 Debtors	2000 £	1999 £
Trade debtors	3,010	1,894
Other debtors	302	446
	3,312	2,340
 7 Creditors: amounts falling due within one year	 2000 £	 1999 £
Bank loans and overdrafts	9,230	7,474
Trade creditors	8,892	17,730
Taxation and social security	320	363
Other creditors	42,314	32,036
	60,756	57,603

The bank loans are secured by a charge over the freehold property at 2 - 14 Orsett Terrace.

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 23 JUNE 2000

8	Creditors: amounts falling due after more than one year	2000 £	1999 £
	Bank loans	-	5,661
	Other creditors	65,302	57,736
		<u>65,302</u>	<u>63,397</u>
	Analysis of loans		
	Wholly repayable within five years	70,091	70,091
	Included in current liabilities	(4,789)	(6,694)
		<u>65,302</u>	<u>63,397</u>
	Loan maturity analysis		
	Between one and two years	-	5,661
	In five years or more	65,302	57,736
		<u>65,302</u>	<u>57,736</u>

9 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 24 June 1999	48,151	-
Revaluation during the year	25,000	-
Balance at 23 June 2000	<u>73,151</u>	<u>-</u>

In the opinion of the directors the freehold property has a market value of £150,000. The property originally cost £76,849 and the resulting surplus of £73,151 has been transferred to revaluation reserve.

10	Reconciliation of movements in shareholders' funds	2000 £	1999 £
	Loss for the financial year	-	-
	Other recognised gains and losses	25,000	20,000
	Net addition to shareholders' funds	<u>25,000</u>	<u>20,000</u>
	Opening shareholders' funds	48,151	28,151
	Closing shareholders' funds	<u>73,151</u>	<u>48,151</u>