Co Hoose

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 2001



A42 0688
COMPANIES HOUSE 11/08/01

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
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

CONTENTS

	Page
Directors' report	1
Auditors' report	2
Profit and loss account	3
Statement of total recognised gains and losses	4
Balance sheet	5
Notes to the financial statements	6 - 10

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 23 JUNE 2001

The directors present their report and financial statements for the year ended 23 June 2001.

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.

Directors
The following directors have held office since 24 June 2000:

P M Hewett
L A Hankins
D H Williams
E Kangesu
P Sobieszczuk
D A Cannell

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.

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
30.3.2001

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 3 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 6.

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 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 2001 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

8 August 2001

Chartered Accountants
Registered Auditor

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 2001

	Notes	2001 £	2000 £
Turnover		91,074	82,098
Administrative expenses		(91,585)	(83,382)
Operating loss	**2**	(511)	(1,284)
Other interest receivable and similar income		803	2,462
Interest payable and similar charges	**3**	(211)	(862)
Profit on ordinary activities before taxation		81	316
Tax on profit on ordinary activities	**4**	(81)	(316)
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 2001

	2001 £	2000 £
Unrealised surplus on revaluation of properties	5,000	25,000
Total recognised gains and losses relating to the year	5,000	25,000

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

BALANCE SHEET
AS AT 23 JUNE 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	5		155,000		150,000
Current assets					
Debtors	6	14,503		3,312	
Cash at bank and in hand		10,894		45,897	
		25,397		49,209	
Creditors: amounts falling due within one year	7	(32,155)		(60,756)	
Net current liabilities			(6,758)		(11,547)
Total assets less current liabilities			148,242		138,453
Creditors: amounts falling due after more than one year	8		(70,091)		(65,302)
			78,151		73,151
Capital and reserves					
Revaluation reserve	9		78,151		73,151
Shareholders' funds - equity interests	10		78,151		73,151

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 30th July 2001

P M Hewett
Director

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 23 JUNE 2001

---

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 financial statements are 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 £30,551 from the provision was utilised (2000 charge of £10,083) and the provision at the year end amounted to £9,344 (2000 - £39,895).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 23 JUNE 2001

2 Operating loss

	2001	2000
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	2,331	2,263

3 Interest payable

	2001	2000
	£	£
On bank loans and overdrafts	211	862

4 Taxation

	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (2000 - 20%)	118	320
Prior years		
U.K. corporation tax	(37)	(4)
	81	316

5 Tangible fixed assets

	Land and buildings Freehold £
Cost or valuation	
At 24 June 2000	150,000
Revaluation	5,000
At 23 June 2001	155,000
Depreciation	
At 24 June 2000 & at 23 June 2001	-
Net book value	
At 23 June 2001	155,000
At 23 June 2000	150,000

The company's freehold property is revalued annually on 23 June . On 23 June 2001 the directors considered the value to be £156,000.

On an historical cost basis this would have been included at an original cost of £76,849 (2000 - £76,849).

The company has lost contact with one leaseholder and was unable to recover outstanding service charge. Application has been made to the court to recover the flat and this has been successful. The flat has been leased to a third party and its anticipated that the present amount outstanding of £14,084 and future service charges will be recovered out of the rent receivable. The board have agreed that, should the leaseholder be located, the flat will be handed back, provided all outstanding debts have been settled.

6 Debtors

	2001 £	2000 £
Trade debtors	4,404	3,010
Other debtors	10,099	302
	14,503	3,312

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 23 JUNE 2001

7 Creditors: amounts falling due within one year	2001 £	2000 £
Bank loans and overdrafts	8,429	9,230
Trade creditors	11,933	8,892
Taxation and social security	118	320
Other creditors	11,675	42,314
	32,155	60,756

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

8 Creditors: amounts falling due after more than one year	2001 £	2000 £
Other creditors	70,091	65,302
Analysis of loans		
Wholly repayable within five years	70,091	70,091
Included in current liabilities	-	(4,789)
	70,091	65,302
Loan maturity analysis		
In more than five years	65,302	65,302

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

9 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 24 June 2000	73,151	-
Revaluation during the year	5,000	-
Balance at 23 June 2001	78,151	-

In the opinion of the directors the freehold property has a market value of £155,000. The property originally cost £76,849 and the resulting surplus of £78,151 has been transferred to revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 23 JUNE 2001

10 Reconciliation of movements in shareholders' funds	2001 £	2000 £
Loss for the financial year	-	-
Other recognised gains and losses	5,000	25,000
Net addition to shareholders' funds	5,000	25,000
Opening shareholders' funds	73,151	48,151
Closing shareholders' funds	78,151	73,151