

Registered No. 04313708

**The Marrick Close Freehold Company Limited**

**Annual report**

**For the year ended 31 October 2003**



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**Annual report for the year ended 31 October 2003**

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**Directors and advisers**

**Directors**

S Burton  
J Johnston

**Secretary and registered office**

S Burton  
4 Marrick Close  
Upper Richmond Road  
Putney  
SW15 5RA

**Solicitors**

Regan & Co  
The Old Bank  
24 Battersea Park Road  
London  
SW11 4HY

**Bankers**

Abbey National plc  
PO Box 10102  
21 Prescott Street  
London  
E1 8TN

### **Directors' report for the year ended 31 October 2003**

The directors present their report and the financial statements of the company for the year ended 31 October 2003.

#### **Principal activity**

The principal activity of the company in the year under review was that of a property management company.

#### **Review of business**

The results for the year are set out in the profit and loss account on page 4. Both the level of business and the year-end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

#### **Dividends and transfer to reserves**

The directors do not recommend the payment of a dividend. The profit for the year of £555 (2002 loss: £788) will be transferred to reserves.

The directors of the company throughout the year were as follows:

#### **Directors**

S Burton

R Marcus

J Johnston

Resigned 6 August 2003

Appointed 6 August 2003

Mr R Marcus was company secretary until 6 August 2003.

Ms S Burton was appointed company secretary on 6 August 2003.

The directors are entitled to £120 fees per financial year.

#### **Directors' interests**

The directors each own 1 ordinary share in the company.

### Directors' responsibilities statement

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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have met with these requirements. 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 statement 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.

### Service charge

As these accounts represent a summary of the expenditure of the service charges of 1-12 Marrick Close they are also designed to comply with the Landlord and Tenant Act 1985.

### Auditors

The company is below the statutory threshold for an audit, and as such has not appointed an auditor.

By order of the board



**S Burton**

Company secretary

1 March 2004

### Accountant's report

In accordance with the Landlord and Tenant Act 1985 these accounts have been prepared by a qualified accountant and represent a fair picture of the service charge position. They are sufficiently supported by receipts, accounts and other documents, which are available to inspection by any of the leaseholders.



**R Marcus BA (Hons) ACA**

Chartered Accountant

1 March 2004

## Profit and loss account for the year ended 31 October 2003

|                                                      | Notes | 2003<br>£ | 2002<br>£ |
|------------------------------------------------------|-------|-----------|-----------|
| Turnover                                             | 2     | 2,880     | 3,315     |
| Cost of sales                                        | 3     | (1,898)   | (2,892)   |
| Gross profit                                         |       | 982       | 423       |
| Administrative expenses                              | 4     | (445)     | (1,229)   |
| Operating profit/(loss)                              |       | 537       | (806)     |
| Interest receivable and similar charges              | 5     | 18        | 33        |
| Profit/(loss) on ordinary activities before taxation |       | 555       | (773)     |
| Taxation                                             | 8     | -         | (15)      |
| Retained profit/(loss) for the year                  | 13    | 555       | (788)     |

The above results relate to the continuing operations of the company.

The company had no gains or losses than those included in the losses above. Therefore no separate statement of total recognised gains and loss has been presented.

There is no difference between the loss on ordinary activities before taxation and loss for the year stated above and their historical cost equivalents.

## Balance sheet at 31 October 2003

|                                                       | Notes | 2003<br>£ | 2002<br>£ |
|-------------------------------------------------------|-------|-----------|-----------|
| <b>Fixed assets</b>                                   |       |           |           |
| Investments                                           | 9     | 4,500     | 4,500     |
| <b>Current assets</b>                                 |       |           |           |
| Debtors                                               | 10    | 50        | 22        |
| Cash at bank and in hand                              |       | 1,652     | 840       |
|                                                       |       | 1,702     | 862       |
| <b>Creditors: amounts falling due within one year</b> | 11    | (435)     | (150)     |
| <b>Net current assets</b>                             |       | 1,267     | 712       |
| <b>Net assets</b>                                     |       | 5,767     | 5,212     |
| <b>Capital and reserves</b>                           |       |           |           |
| Called up share capital                               | 12    | 12        | 12        |
| Share premium account                                 |       | 5,988     | 5,988     |
| Profit and loss account                               | 13    | (233)     | (788)     |
| <b>Shareholders' funds</b>                            | 14    | 5,767     | 5,212     |

For the year ended 31 October 2003 the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2). The directors acknowledge their responsibility for:

- i) Ensuring the company keeps accounting records which comply with section 221; and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to the accounts, so far as applicable to the company.

The financial statements on pages 4 to 10 were approved by the board of directors on 1 March 2004 and were signed on its behalf by:



**S Burton**  
Director

## Cash flow statement for the year ended 31 October 2003

|                                                                      | 2003<br>£   | 2002<br>£      |
|----------------------------------------------------------------------|-------------|----------------|
| <b>Net cash inflow/(outflow) from continuing operations</b>          | <b>810</b>  | <b>(693)</b>   |
| <b>Returns on investments and servicing of finance</b>               |             |                |
| Interest received                                                    | 17          | 33             |
| Net cash inflow from returns on investments and servicing of finance | 17          | 33             |
| <b>Taxation</b>                                                      | <b>(15)</b> | <b>-</b>       |
| <b>Capital expenditure and financial investment</b>                  |             |                |
| Purchase of investments                                              | -           | (4,500)        |
| <b>Net cash inflow/(outflow) before financing</b>                    | <b>812</b>  | <b>(5,160)</b> |
| <b>Financing</b>                                                     |             |                |
| Issue of shares                                                      | -           | 6,000          |
| <b>Net cash inflow from financing</b>                                | <b>-</b>    | <b>6,000</b>   |
| <b>Increase in cash in the period</b>                                | <b>812</b>  | <b>840</b>     |

## Reconciliation of operating loss to net cash outflow from operating activities

|                                                                       | 2003<br>£  | 2002<br>£    |
|-----------------------------------------------------------------------|------------|--------------|
| <b>Continuing operating activities</b>                                |            |              |
| Operating profit/(loss)                                               | 538        | (806)        |
| Increase in debtors                                                   | (28)       | (22)         |
| Increase in accruals and deferred income                              | 300        | 135          |
| <b>Net cash inflow/(outflow) from continuing operating activities</b> | <b>810</b> | <b>(693)</b> |

**Notes to the financial statements for the year ended 31 October 2003****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards 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 financial statements are prepared in accordance with the historical cost convention.

**Investments**

Investments are valued at their purchase cost.

**Turnover**

Turnover represents charges to tenants of the flats in Marrick Close. It is recognised as turnover in the month it is falls due, or when a demand for payment is made.

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is more likely than not that a liability or asset will crystallise.

**2 Turnover**

Turnover consists entirely of the monthly service charge made in the United Kingdom.

**3 Cost of sales**

|                 | 2003<br>£    | 2002<br>£    |
|-----------------|--------------|--------------|
| Insurance       | 1,477        | 125          |
| Council charges | -            | 2,767        |
| Bin hire        | 221          | -            |
| Pest control    | 200          | -            |
|                 | <b>1,898</b> | <b>2,892</b> |

**4 Administrative expenses**

|                   | 2003<br>£  | 2002<br>£    |
|-------------------|------------|--------------|
| Legal fees        | -          | 1,022        |
| Director's fees   | 120        | 120          |
| Accountant's fees | 300        | -            |
| Other             | 25         | 87           |
|                   | <b>445</b> | <b>1,229</b> |

**5 Directors' emoluments**

|                 | 2003<br>£ | 2002<br>£ |
|-----------------|-----------|-----------|
| Fees (as above) | 120       | 120       |

No other benefits were paid or were accrued to the directors.

**6 Employees**

The company did not employ anyone during the year.

**7 Interest receivable and similar income**

|               | 2003<br>£ | 2002<br>£ |
|---------------|-----------|-----------|
| Bank interest | 18        | 33        |

**8 Tax on loss on ordinary activities**

|                                           | 2003<br>£ | 2002<br>£ |
|-------------------------------------------|-----------|-----------|
| <b>Analysis of charge in the year</b>     |           |           |
| Current Tax:                              |           |           |
| UK corporation tax on profits of the year | -         | 15        |
| Total current tax                         | -         | 15        |
| Deferred Tax:                             |           |           |
| Current year                              | -         | -         |
| Total deferred tax                        | -         | -         |
| Tax on profit on ordinary activities      | -         | 15        |

**Factors affecting tax charge for the year**

The tax charge for the period is lower than the rate of corporation tax in the UK (10%). The differences are explained below:

|                                                                                                              | 2003<br>£ | 2002<br>£ |
|--------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Profit/(loss) on ordinary activities before tax                                                              | 555       | (773)     |
| Profit/(loss) on ordinary activities multiplied by the rate of corporation tax in the UK of nil% (2002: 10%) | -         | (77)      |
| <i>Effects of:</i>                                                                                           |           |           |
| Expenses not tax deductible                                                                                  | -         | 92        |
| Current tax charge for the period                                                                            | -         | 15        |

**Factors affecting future tax charge**

No significant differences are anticipated between profits for accounting and tax purposes in future periods.

**9 Investments**

Investments consist of the freehold to 12 flats in Marrick Close. The cost consists of the purchase price of the freehold.

**10 Debtors**

|                                             | 2003<br>£ | 2002<br>£ |
|---------------------------------------------|-----------|-----------|
| <i>Amounts falling due within one year:</i> |           |           |
| Trade debtors                               | 50        | 20        |
| Prepayments and accrued income              | -         | 2         |
| Total                                       | 50        | 22        |

**11 Creditors: amounts due within one year**

|                              | <b>2003</b> | <b>2002</b> |
|------------------------------|-------------|-------------|
|                              | <b>£</b>    | <b>£</b>    |
| Accruals and deferred income | <b>435</b>  | <b>135</b>  |
| Taxation                     | <b>-</b>    | <b>15</b>   |
|                              | <b>435</b>  | <b>150</b>  |

**12 Called up share capital**

|                                           | <b>2003</b>  | <b>2002</b>  |
|-------------------------------------------|--------------|--------------|
|                                           | <b>£</b>     | <b>£</b>     |
| <b>Authorised</b>                         |              |              |
| 1000 ordinary shares of £1 each           | <b>1,000</b> | <b>1,000</b> |
| <b>Allotted, called up and fully paid</b> |              |              |
| 12 ordinary shares of £1 each             | <b>12</b>    | <b>12</b>    |

**13 Profit and loss account**

|                                               | <b>2003</b>  | <b>2002</b>  |
|-----------------------------------------------|--------------|--------------|
|                                               | <b>£</b>     | <b>£</b>     |
| At 1 November 2002                            | <b>(788)</b> | <b>-</b>     |
| Retained profit/(loss) for the financial year | <b>555</b>   | <b>(788)</b> |
| At 31 October 2003                            | <b>(233)</b> | <b>(788)</b> |

**14 Reconciliation of movements in shareholders' funds**

|                                               | <b>2003</b>  | <b>2002</b>  |
|-----------------------------------------------|--------------|--------------|
|                                               | <b>£</b>     | <b>£</b>     |
| Opening shareholders' funds                   | <b>5,212</b> | <b>-</b>     |
| Issue of share capital                        | <b>-</b>     | <b>6,000</b> |
| Retained profit/(loss) for the financial year | <b>555</b>   | <b>(788)</b> |
| Closing shareholders' funds                   | <b>5,767</b> | <b>5,212</b> |

**15 Capital and financial commitments**

There were no capital or financial commitments at the year-end.

**16 Controlling party**

No one party controlled the company at the year-end. All 12 shares are owned by the 12 flats constituting 1-12 Marrick Close, London.

**Leaseholders legal obligations**

The following is taken from the Government's website page.

[http://www.odpm.gov.uk/stellent/groups/odpm\\_control/documents/contentservertemplate/odpm\\_index.hcst?n=1282&l=2](http://www.odpm.gov.uk/stellent/groups/odpm_control/documents/contentservertemplate/odpm_index.hcst?n=1282&l=2)

see 'booklets for home owners on long leaseholds'

*What are leaseholder's rights in relation to service charge demands?*

- The right to obtain a summary of the costs on which the service charge is calculated.
- The right to look at the accounts, receipts and other documents on which the summary is based.
- The right to be consulted about major works.
- The right to challenge the reasonableness of any service charge or of the standard of works or services, even where works are proposed.

Should you be any doubt you should seek legal advice or check out [www.lease-advice.org.uk](http://www.lease-advice.org.uk)

The following is a summary of the income and costs per flat for the year that ended 31 October 2003:

|                                       | Total<br>£ | 1/12 per flat<br>£ |
|---------------------------------------|------------|--------------------|
| <b>Income</b>                         |            |                    |
| Service charge                        | 2,880      | 240                |
| Interest                              | 18         | 2                  |
|                                       | 2,898      | 242                |
| <b>Expenses</b>                       |            |                    |
| Insurance                             | 1,477      | 123                |
| Accountant's fees                     | 300        | 25                 |
| Director's fees                       | 120        | 10                 |
| Bin hire                              | 221        | 18                 |
| Pest control                          | 200        | 17                 |
| Other                                 | 25         | 2                  |
| <b>Total expenses for the year</b>    | 2,343      | 195                |
| <b>Retained cash for sinking fund</b> | 555        |                    |