



## **APPLEBY LODGE MANAGEMENT COMPANY LIMITED**

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**Directors' Report and Financial Statements  
For the year ended 30 June 2010**

**Company Number: 997206**

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**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
(A company limited by guarantee)

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**COMPANY INFORMATION**

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**DIRECTORS**

Mrs S Evans  
Mr G N Childs  
Mr C C Odell (resigned 29 March 2010)  
Mr M J Blake (resigned 31 January 2011)  
Mr S Ashton (appointed 29 March 2010)  
Mr J P Funnel (appointed 29 March 2010)  
Ms A Sabbagh Gomez (resigned 26 November 2009)  
Ms J R Smalley  
Mr S R Smith (resigned 25 November 2010 & re-appointed 30 November 2010)  
Ms S E Shaw  
Mr J Fearn (appointed 9 September 2010 & resigned 25 October 2010)

**COMPANY SECRETARY**

Realty Management Limited

**COMPANY NUMBER**

997206

**REGISTERED OFFICE**

128 Wellington Road North  
Stockport  
Cheshire  
SK4 2LL

**AUDITORS**

Madisons  
Bushbury House  
435 Wilmslow Road  
Withington  
Manchester  
M20 4AF



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**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
**(A company limited by guarantee)**

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**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
(A company limited by guarantee)

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

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The directors present their report and the financial statements for the year ended 30 June 2010

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**PRINCIPAL ACTIVITIES**

The company's principal activity during the period was the management and maintenance of a block of flats in Fallowfield, Manchester known as Appleby Lodge.

**DIRECTORS**

The directors who served during the year were

Mrs S Evans  
Mr G N Childs  
Mr C C Odell (resigned 29 March 2010)  
Mr M J Blake (resigned 31 January 2011)  
Mr S Ashton (appointed 29 March 2010)  
Mr J P Funnel (appointed 29 March 2010)  
Ms A Sabbagh Gomez (resigned 26 November 2009)  
Ms J R Smalley  
Mr S R Smith (resigned 25 November 2010 and reappointed 30 November 2010)  
Ms S E Shaw  
Mr J Fearn (appointed 9 September 2010 & resigned 25 October 2010)



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**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2010**

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**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, Madisons, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 31 January 2011 and signed on its behalf

**Realty Management Limited**  
Secretary



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**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPLEBY LODGE MANAGEMENT  
COMPANY LIMITED**

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We have audited the financial statements of Appleby Lodge Management Company Limited for the year ended 30 June 2010, set out on pages 5 to 8. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**UNQUALIFIED OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**EMPHASIS OF MATTER - Major Refurbishment Works**

In forming our opinion on the financial statements, which is not qualified we have considered the adequacy of the disclosure made in note 7 to the financial statements concerning the planned major refurbishment works and the uncertainty to the amount of final agreed cost. The company is unable to agree the amount of the actual cost of service charge to be invoiced to flat owners for this major refurbishment work. These conditions indicate along with other matters in note 8 to the financial statements, the existence of a material uncertainty which may also cast doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments as the ultimate outcome of the matter cannot be presently determined.



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**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPLEBY LODGE MANAGEMENT  
COMPANY LIMITED**

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**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime

*Ali Hamdani*

**Ali Hamdani ( Senior Statutory Auditor )**  
**for and on behalf of Madisons, Statutory Auditor.**

Bushbury House  
435 Wilmslow Road  
Withington  
Manchester  
M20 4AF

31 January 2011





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**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
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**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

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	Note	2010 £	2009 £
<b>TURNOVER</b>	1	<b>2,246,067</b>	<b>205,596</b>
Administrative expenses		<u>(290,899)</u>	<u>(303,644)</u>
<b>OPERATING PROFIT/(LOSS)</b>	2	<b>1,955,168</b>	<b>(98,048)</b>
Interest receivable and similar income		-	1,435
Interest payable and similar charges		<u>(37)</u>	<u>-</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,955,131</b>	<b>(96,613)</b>
Tax on profit/(loss) on ordinary activities		<u>-</u>	<u>(301)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u><b>1,955,131</b></u>	<u><b>(96,914)</b></u>

The notes on pages 7 to 8 form part of these financial statements



**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**

**(A company limited by guarantee)**

**REGISTERED NUMBER: 997206**

**BALANCE SHEET  
AS AT 30 JUNE 2010**

	Note	£	2010	£	£	2009	£
<b>CURRENT ASSETS</b>							
Debtors	3	1,985,873			77,704		
Cash at bank		195,779			40,511		
		<u>2,181,652</u>			<u>118,215</u>		
<b>CREDITORS: amounts falling due within one year</b>	4	<u>(165,598)</u>			<u>(57,292)</u>		
<b>NET CURRENT ASSETS</b>				<u>2,016,054</u>			<u>60,923</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<u>2,016,054</u>			<u>60,923</u>
<b>CAPITAL AND RESERVES</b>							
Profit and loss account	6			<u>2,016,054</u>			<u>60,923</u>
				<u>2,016,054</u>			<u>60,923</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 January 2011

**Mr S R Smith**  
Director

The notes on pages 7 to 8 form part of these financial statements



**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**1.2 Cash flow**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

**1.3 Turnover**

Turnover comprises of revenue recognised by the collection of service charges from flat owners to fund expenditure incurred in the management of the property

**2. OPERATING PROFIT/(LOSS)**

The operating profit/(loss) is stated after charging

	2010 £	2009 £
Auditors' remuneration	1,200	-

During the year, no director received any emoluments (2009 - £NIL)

**3. DEBTORS**

	2010 £	2009 £
Trade debtors	1,963,719	67,794
Other debtors	22,154	9,910
	<b>1,985,873</b>	<b>77,704</b>



**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**4. CREDITORS:**  
Amounts falling due within one year

	2010 £	2009 £
Trade creditors	26,848	52,388
Corporation tax	-	792
Other creditors	138,750	4,112
	<u>165,598</u>	<u>57,292</u>

**5. COMPANY STATUS**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**6. RESERVES**

	Profit and loss account £
At 1 July 2009	60,923
Profit for the year	1,955,131
	<u>2,016,054</u>
At 30 June 2010	

**7. POST BALANCE SHEET EVENTS**

The company plans major refurbishment work which is currently estimated at between two to three million pounds. This has not been contracted for and is currently in negotiation. The cost of this work needs to be recovered by way of additional services charges to residents depending on the final agreed contract.

There have been amounts charged to residents for major refurbishments costs to be incurred of £1,966,691 which at date of approving the accounts had not been recovered by the company and are included in trade debtors. There would be a negative impact on the profit & loss reserve of £1,966,691 if this was not recovered.

**8. GOING CONCERN**

The accounts have been prepared on a going concern basis which is dependant on the continued financial support of all the flat owners by way of payments of service charges. Should the residents not contribute to payment of service charges then this would adversely affect the management company's ability to meet on-going obligations particularly the major refurbishment works.



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**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

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	<b>Page</b>	<b>2010 £</b>	<b>2009 £</b>
<b>TURNOVER</b>	10	<b>2,246,067</b>	<b>205,596</b>
<b>LESS: OVERHEADS</b>			
Administration expenses	10	<b>(290,899)</b>	<b>(303,644)</b>
<b>OPERATING PROFIT/(LOSS)</b>		<b>1,955,168</b>	<b>(98,048)</b>
Interest receivable	10	-	1,435
Interest payable	10	<b>(37)</b>	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>1,955,131</b>	<b>(96,613)</b>



**APPLEBY LODGE MANAGEMENT COMPANY LIMITED**  
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**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 £	2009 £
<b>TURNOVER</b>		
Service charges receivable	279,376	205,596
Major Refurbishment funds	1,966,691	-
	<u>2,246,067</u>	<u>205,596</u>
	2010 £	2009 £
<b>ADMINISTRATION EXPENSES</b>		
Staff salaries	22,715	26,716
Window cleaning	2,250	2,700
Managing agents' fees	45,847	24,603
Printing and stationery	-	39
Telephone and fax	334	579
Gardening and materials	10,519	11,836
Legal and professional	441	20,540
Auditors' remuneration	1,200	-
Accountancy	1,800	2,415
Sundry expenses	876	157
Light and heat	80,628	81,688
Cleaning	1,745	628
Insurances	22,751	20,454
General repairs and maintenance	10,157	25,901
Major levy fund - Professional fees	89,636	85,388
	<u>290,899</u>	<u>303,644</u>
	2010 £	2009 £
<b>INTEREST RECEIVABLE</b>		
Bank interest receivable	-	1,435
	<u>-</u>	<u>1,435</u>
	2010 £	2009 £
<b>INTEREST PAYABLE</b>		
Other interest - on overdue tax	37	-
	<u>37</u>	<u>-</u>