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FOR COMP. NO. 3400910

**REGISTRAR OF  
COMPANIES**

**Rivermead Court Limited**

Report and Financial Statements

Year Ended

31 December 1996



**BDO**

BDO Stoy Hayward  
Chartered Accountants

## **RIVERMEAD COURT LIMITED**

### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the eighteenth annual general meeting of Rivermead Court Limited will be held at 7pm on Monday 30 June 1997 in the Quadrangle of The Hurlingham Club, Ranelagh Gardens, London, for the following purposes:

- 1 To receive and consider the statement of accounts of the company for the year ended 31 December 1996 and the reports of the directors and the auditors thereon.
- 2
  - (a) To reappoint Eileen Grace Donald as a director of the company.
  - (b) To reappoint Denis Basil O'Neill as a director of the company.
  - (c) To reappoint Louis Moran as a director of the company.
- 3 To reappoint BDO Stoy Hayward as auditors and to authorise the directors to agree their remuneration.
- 4 To transact any other ordinary business of the company.

13 May 1997

Registered Office	Morgan Cosec Limited
82 St. John Street	Secretary
London EC1M 4JN	

### **PROXIES**

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy (who need not be a member) to attend and vote in his place. Blank forms of proxy may be obtained upon request, from Morgan Cosec Limited, 82 St. John Street, London, EC1M 4JN, and, when completed must be left at the Porters' Lodge, Rivermead Court by 7 pm on Friday 27 June 1997.

### **JOINT HOLDERS**

All joint holders of a share may attend the meeting but under article 70 of the articles of association of the company only the first named of them on the register of members kept by the company is entitled to vote, (whether in person or by proxy). However, if the first named does not vote, the second may do so and so on. This notice is addressed to the first named of them.

# **RIVERMEAD COURT LIMITED**

**Annual report and financial statements for the year ended 31 December 1996**

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## **Directors**

Louis Joshua Manson (Chairman)  
Peter Harvey Gimson (Vice-Chairman)  
Eileen Grace Donald  
Suzanne Jean Henderson  
Kim Guy Felix Britton Howe, OBE, JP  
Sir John Henry Lambert, KCVO, CMG  
Denis Basil O'Neill  
Richard Frank Coleman Pollitzer  
Louis Moran

## **Secretary and registered office**

Morgan Cossec Limited, 82 St. John Street, London, EC1M 4JN.

## **Company number**

1432634

## **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

## **RIVERMEAD COURT LIMITED**

### **Chairman's statement**

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1997 provided even more colour for Rivermead Court. The flower beds, troughs and jardinières filled with pansies were much admired by residents and visitors alike. We must thank Louis Moran and Arthur Foxwell, the gardener, for the hard work and expertise that has gone into maintaining the gardens to such a high standard throughout the year.

### **Results for the year**

The profit and loss account for 1996 shows a profit before taxation of £455,791. £425,302 of this arose as a result of the sale of two rented flats that fell vacant during the year. The balance arose mainly from an increase in interest received.

The company's finances are in a healthy state. Even after meeting the substantial cost of the lift works mentioned below, it should be able for the foreseeable future to meet the cost of anticipated major works out of its reserves. These reserves arose mainly from the gradual sale of the vacant and rented flats acquired from the Prudential. As I mentioned in last year's statement there are now only two rented flats and further sales are unlikely for some time.

### **Service charges**

The service charges payable by lessees in 1996 amounted to £601,044 against £632,099 in 1995. The decrease almost exactly corresponds to the decrease in heating costs, resulting from the reduction in the price of gas under our new supply contracts. The outcome for the year is just 1% in excess of the budget produced 14 months earlier. The excess charge will be collected with the half-yearly service charge due on June 24 and will vary between £20 and £35 per flat.

### **Major works**

In view of the complexity and cost of the works on the twenty lifts in Rivermead Court the board employed a specialist consultant to carry out a detailed survey, produce the voluminous and technically complex specification required and put it out to competitive tender. We are fortunate in having on the board, Denis O'Neill, a highly experienced civil engineer, who undertook the daunting task of studying the specification in detail and proposing and agreeing cost reduction modifications with the consultant. A contract has been placed with Jackson Lift Group, whose maintenance division have serviced the lifts for many years, at a price, including the consultants' fees, a provision for contingencies and VAT, of around £1,350,000. This will be met out of the company's reserves.

Residents have already received a letter setting out the logistical problems involved and proposed solutions. A timetable with estimated dates on which each passenger lift will be out of action will be circulated as soon as possible. Regrettably it is impossible to guarantee these dates. However, residents will be given the maximum possible notice of any changes. Residents who intend selling or letting are advised to be particularly cautious when agreeing removal or occupancy dates if these involve large or heavy furniture and to discuss them well in advance with the managing agents. Also purchasers should be advised that permission for alterations to a flat is unlikely to be granted over the period during which either the goods lift or passenger lift serving that flat is out of action.

The cost of the lift works will be taken through the profit and loss account, so that the results for 1997, 1998 and 1999 will all show substantial losses. However, these will not affect the service charge, as being major works they are excluded from that calculation.

## RIVERMEAD COURT LIMITED

### Chairman's statement (*Continued*)

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#### Major works (*Continued*)

The lift works will inevitably cause some damage to the carpets and decoration of the corridors. I know that many residents would like to see these upgraded and the board will consult with residents on this topic later this year.

#### Television supply

A number of residents have been pressing for some time for the upgrading of our television supply facilities. We have a contract with MCTV that runs until the end of October 1997: cable is expected to be laid in our area to receive Cable Television in 1998 and digital television, which enables many more channels to be received through the same-size cable, is expected in 1998 or 1999. Because of these complexities a decision was deferred to enable the board to consider the options when more detailed information is available. Details have been received from MCTV and we are obtaining comparable information from other suppliers. I will report further at the Annual General Meeting.

#### Parking

I wrote to residents in April outlining the problems and the immediate steps the board were taking to counter them. In addition we have taken measurements which establish that several extra spaces will be created by painting white lines to delineate each parking space. In order to avoid the grounds looking like a supermarket car park we intend these lines to be limited to around two-feet in length from the pavement. The other major problem of inadequate clearance results from residents wishing to park as near to their entrance as possible. We have large vehicles parked where ideally smaller vehicles should be and small vehicles where space is no problem. It seems that if people have a garage or designated space they are prepared to walk twenty yards or so, otherwise not. In consequence, we are having to consider the benefits of designating areas for large and small cars.

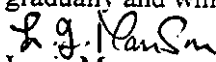
#### Staff

The decision to replace the night security contractors with our own staff has been implemented and is generally considered to be a success, as the night staff are now more alert and responsive and the cost is lower. I would like to thank the head porter, Tom O'Mahony, and all his staff for the excellent service they have provided.

In addition I extend thanks to David Murray and to my co-directors for their efforts throughout the year.

#### The Board

Your board is very conscious that its age profile is out of line with the age profile of residents, which is reducing. The difficulty is that for a complex the size of Rivermead Court to run efficiently and be continuously improved requires a great deal of time to be expended on its affairs and considerable expertise from its directors. In our experience younger residents with careers and families, that are ever more time consuming, have been unable to spare the time required. Ideally we require individuals who are newly retired or semi-retired and therefore probably aged 55/65, with a genuine interest in property management and with appropriate expertise, to come forward. If such persons present themselves I am sure that the older members of the present board would gradually and willingly make way for them.

  
Louis Manson  
Chairman

13 May 1997

## RIVERMEAD COURT LIMITED

### Report of the directors for the year ended 31 December 1996

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The directors present their annual report together with audited financial statements for the year ended 31 December 1996.

#### Principal activity, review of business and future developments

The company purchased the freehold of Rivermead Court from the Prudential Assurance Company Limited with a view to granting long leases of the flats therein to those sitting tenants who wished to acquire them. Long leases of certain flats which were vacant at that time or subsequently became vacant have been sold in the open market. Two flats continued to be let during the year at rack rents, to sitting tenants who did not elect to acquire long leases. Two flats were sold in the year.

#### Results

The profit and loss account is set out on page 6 and shows the company's profit for the year.

The directors do not recommend the payment of a dividend.

#### Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	31 December 1996	31 December 1995
	(or date of appointment if later)	
Louis Joshua Manson	1	1
Peter Harvey Gimson	1	1
Eileen Grace Donald	1	1
Suzanne Jean Henderson	1	1
Kim Guy Felix Britton Howe, OBE, JP	1	1
Sir John Henry Lambert, KCVO, CMG	1	1
Denis Basil O'Neill	1	1
Richard Frank Coleman Pollitzer	1	1
Louis Moran (appointed 5 August 1996)	1	1

Eileen Grace Donald, Denis Basil O'Neill and Louis Moran retire as directors in accordance with the company's articles of association. Resolutions will be proposed at the annual general meeting for their reappointment.

## RIVERMEAD COURT LIMITED

### Report of the directors for the year ended 31 December 1996 (*Continued*)

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#### 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

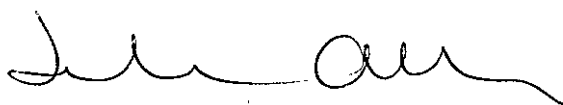
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### By order of the Board

Morgan Cosec Limited



Secretary

FOR AND ON BEHALF OF  
MORGAN COSEC LIMITED

Date 13/5/97

# RIVERMEAD COURT LIMITED

## Report of the auditors

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### To the shareholders of Rivermead Court Limited

We have audited the financial statements on pages 6 to 13 which have been prepared under the accounting policies set out on page 8.

#### *Respective responsibilities of directors and auditors*

As described on page 4 the company's directors are responsible for the preparation of the 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 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD**

*Chartered Accountants  
and Registered Auditors*  
London

13 May 1997



**RIVERMEAD COURT LIMITED****Profit and loss account for the year ended 31 December 1996**

	Note	1996 £	1995 £
Turnover	1	452,306	-
Cost of sales		27,004	-
		<hr/>	<hr/>
Gross profit		425,302	-
Other operating income		625,115	686,144
		<hr/>	<hr/>
		1,050,417	686,144
Administrative costs		749,479	897,089
		<hr/>	<hr/>
		300,938	(210,945)
Interest receivable and similar income		154,853	89,085
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	3	455,791	(121,860)
Taxation on profit/(loss) on ordinary activities	4	61,008	2,397
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation		394,783	(124,257)
		<hr/>	<hr/>
Profit/(loss) for the year	10	394,783	(124,257)
		<hr/>	<hr/>

All amounts relate to continuing activities

All gains and losses recognised in the year are included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

# RIVERMEAD COURT LIMITED

Balance sheet at 31 December 1996

	Note	1996 £	1995 £
<b>Current assets</b>			
Property	5	192,359	219,363
Investments	6	1,234,653	1,289,380
Debtors	7	193,529	223,482
Cash at bank and in hand		1,056,091	511,781
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	8	2,676,632	2,244,006
		502,223	464,382
		<hr/>	<hr/>
		2,174,409	1,779,624
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	9	207	205
Profit and loss account	10	2,174,202	1,779,419
		<hr/>	<hr/>
<b>Shareholders' funds - equity</b>		2,174,409	1,779,624
		<hr/>	<hr/>

The financial statements were approved by the Board on 13<sup>th</sup> May 1997



L J Manson  
Director

The notes on pages 8 to 13 form part of these financial statements

## RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 1996

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents the gross proceeds from the sale of leasehold and freehold properties.

#### *Property*

Property is shown in the financial statements at the lower of cost and net realisable value.

#### *Investments*

Investments are shown in the financial statements at the lower of cost and net realisable value.

### 2 Employees

	1996 £	1995 £
Staff costs consist of:		
Wages and salaries	135,891	138,243
Social security costs	9,856	9,354
	<hr/>	<hr/>
	145,747	147,597
	<hr/>	<hr/>

The average weekly number of full-time employees during the year was 12 (1995 - 12).

# RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 1996 (*Continued*)

## 3 Profit/(loss) on ordinary activities before taxation

	1996		1995	
	£	£	£	£
This is arrived at after charging:				
Auditors' remuneration				
- audit services	18,565		18,245	
- non-audit services	7,710		3,560	
	<u>          </u>		<u>          </u>	
		26,275		21,805
		<u>          </u>		<u>          </u>
and after crediting:				
Rents receivable		50,899		54,045
Income from investments				
- listed	40,752		36,702	
- unlisted	23,977		26,202	
	<u>          </u>		<u>          </u>	
		64,729		62,904
		<u>          </u>		<u>          </u>

No director received any remuneration during the year.

## 4 Taxation on profit/(loss) on ordinary activities

	1996	1995
	£	£
U.K. Corporation tax	55,565	8,779
Under/(over)provision in respect of previous years	1,472	(10,713)
Tax credit on UK dividends received	3,971	4,331
	<u>          </u>	<u>          </u>
	61,008	2,397
	<u>          </u>	<u>          </u>

## 5 Property

### Cost

At 1 January 1996	219,363
Disposals	(27,004)
	<u>          </u>
At 31 December 1996	192,359
	<u>          </u>

# RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 1996 (*Continued*)

## 6 Investments

All investments are stated at the lower of cost and net realisable value. The market value at 31 December 1996 was £1,679,001 (1995 - £1,709,168).

The investments held at 31 December were as follows:-

	1996 £	1995 £
Listed on UK stock exchange		
£ 54,000 2% Index-linked Treasury Stock 1996	-	59,934
£153,000 8.75% Treasury Stock 1997	149,710	149,710
£ 60,000 2.5% Index-linked Treasury Stock 2001	97,476	97,476
£ 50,000 8% Treasury Stock 2002/06	49,032	49,032
£100,000 8% Treasury Stock 2003	97,300	97,300
37,900 Finsbury Growth Trust ordinary shares of 25p each	50,165	50,165
17,500 Electric and General Investment Company ordinary shares of 5p each	39,898	19,989
	<hr/>	<hr/>
	483,581	523,606
Listed on foreign stock exchange		
FL200,000 Dutch Government 7% Stock 2003	72,503	72,503
Not listed on recognised stock exchange		
2,000 Capability Trust Managers Master Portfolio	150,087	150,087
25,995 Allied Dunbar Asset Value Trust	100,003	100,003
48,940 St James' Place International Unit Trust	99,984	99,984
184,960 M&G Midland and General Trust Fund	-	99,999
130,000 Mercury Fund Managers British Blue Chip Fund	93,002	93,002
50,000 Newton Fund Managers Income Fund	96,401	96,401
14,500 Capability Trust Managers Income and Growth Fund	53,795	53,795
14,500 Anglo and Overseas Trust	69,456	-
9,500 Foreign & Colonial Pacific Investment Trust	15,841	-
	<hr/>	<hr/>
	1,234,653	1,289,380

## RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 1996 (*Continued*)

### 7 Debtors

	1996 £	1995 £
Trade debtors	162,144	175,033
Other debtors	2,853	7,144
Corporation tax recoverable	-	1,670
Prepayments and accrued income	28,532	39,635
	<u>193,529</u>	<u>223,482</u>

All amounts shown under debtors fall due for payment within one year.

### 8 Creditors: amounts falling due within one year

Trade creditors	313,402	297,848
Other creditors	9,804	87,518
Taxation and social security	4,299	4,370
Corporation tax	44,112	-
Accruals	130,606	74,646
	<u>502,223</u>	<u>464,382</u>

### 9 Share capital

<i>Authorised</i>		
Ordinary shares of £1 each	250	250
	<u>250</u>	<u>250</u>
<i>Issued and called up</i>		
Ordinary shares of £1 each	207	205
	<u>207</u>	<u>205</u>

During the year 2 ordinary shares of £1 were issued for a consideration of £1 each.

## RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 1996 (*Continued*)

### 10 Profit and loss account

	1996 £	1995 £
Retained profit brought forward	1,779,419	1,489,879
Profit/(loss) for the year	394,783	(124,257)
Transfer from reserve fund (see note 11)	-	413,797
	<hr/>	<hr/>
Retained profit carried forward	2,174,202	1,779,419
	<hr/>	<hr/>

### 11 Reserve fund

Balance at beginning of year	-	413,797
Less: Transfer to profit and loss account	-	(413,797)
	<hr/>	<hr/>
Balance at end of year	-	-
	<hr/>	<hr/>

The balance on the reserve fund of £413,797 has been transferred through reserves to the profit and loss account during 1995. The contribution from lessees during 1996 has been included in the result for the year.

### 12 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit/(loss) for the year	394,783	(124,257)
Decrease in reserve fund	-	(413,797)
Movement on reserves (see note 11)	-	413,797
Issue of share capital	2	-
	<hr/>	<hr/>
Net increase/(decrease) in shareholders' funds in the year	394,785	(124,257)
Opening shareholders' funds	1,779,624	1,903,881
	<hr/>	<hr/>
Closing shareholders' funds	2,174,409	1,779,624
	<hr/>	<hr/>

**RIVERMEAD COURT LIMITED**

Notes forming part of the financial statements for the year ended 31 December 1996 (*Continued*)

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**13 Cash flow statement**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 not to prepare a cash flow statement on the basis that the company is small.