

**REGISTRAR OF  
COMPANIES**

**Rivermead Court Limited**

Report and Financial Statements

Year Ended

31 December 2002



**BDO**

BDO Stoy Hayward  
Chartered Accountants

# **RIVERMEAD COURT LIMITED**

## **Annual report and financial statements for the year ended 31 December 2002**

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### **Directors**

Louis Joshua Manson	(Chairman)
Gordon James Howe	(Vice chairman)
Michael Austin	
Susan Jane Fox	
Suzanne Jean Henderson	
Lady Legg	
James Thomas McDonough	
Richard Frank Coleman Pollitzer	

### **Secretary and registered office**

Vantis Cosec Limited, 82 St. John Street, London, EC1M 4JN.

### **Company number**

1432634

### **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

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# **RIVERMEAD COURT LIMITED**

## **Chairman's statement**

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### **Results**

During 2002, the year under review, the market value of flats in Rivermead Court rose significantly, the increase being ahead of the market for similar properties. To some extent this reflects the standard of services and maintenance your Board has worked to achieve over recent years, the cost of which in 2002 was £1,100,178.

I ended my statement last year by reporting that following the loss of our two long-serving deputy head-porters we were unable to recruit or retain staff at our then current pay levels. During 2002 the three most elderly and lowest paid members of staff retired. This again necessitated engaging expensive agency staff until the positions were filled by higher paid recruits, resulting in staff costs for the year exceeding the original estimate by £29,205. The total service charge payable by lessees exceeded the estimate by £28,067, being 3.28% over budget, so that the excess is attributable to the increase in staff costs. While it is expected that much of the cost of relief staff will not re-occur in 2003 we will have to bear the 1% increase in National Insurance contributions from 6 April 2003.

The plus side is that we now have a full complement of staff of the right age and of the required standard.

### **Insurance**

After the estimate of the service charge for 2003 was sent out, we were informed by our brokers of an increase in the building insurance premium of 15%. In spite of efforts to obtain a lower quotation this proved to be the lowest available and the excess will have to be collected with the June service charge. This increase does not take account of the higher premiums expecting to result from the ending of the government cover for terrorism risks. Fortunately the policy covering this risk had been renewed before the government cover expired. However, we will have to obtain terrorism cover for 2004 and we will not be able to obtain a quotation until much nearer the renewal date in December.

### **Major Works**

£475,747 was spent on building repairs, major works and exceptional items, of which £355,474 was on major works. A large part of the expense relates to the painting and repair of the around 1,000 windows in Rivermead Court. The work is continuing this year and next. The use of a crawler platform in place of scaffolding has saved around £40,000 to date and a lot of inconvenience to residents. In addition this year asbestos removal is continuing, renovation work on the roofs of the two main blocks needs to be done and repairs to pipe-work carried out. In 2004 the exterior painting will be finished and some work done on the concrete covering to the river wall in which cracks have appeared. The major works that began with the refurbishment of the lifts in 1998 and are due to end in 2004 should complete the present cycle and, subject to no unforeseen problems, we should have a few years of relatively minor expense, during which we need to restore our reserves. Major works are always needed in any building of the size and age of Rivermead Court, many of them at regular intervals, ranging from around twenty-five years for lift renovation to around eight or nine for exterior decorations. Others are ongoing, such as maintaining the pipework, re-decorating the interior and renewing the carpet on the landings and stairs.

## RIVERMEAD COURT LIMITED

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

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#### Reserves

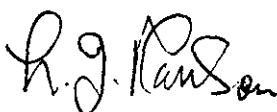
The standard form of lease that each of you hold required lessees to fund the whole of the expenses incurred on providing services and on building and other works carried out by this company as freeholder. As I have mentioned in previous statements, for many years this company has been able to relieve its shareholder/lessees of much of this expense by funding part of the cost of major works and exceptional items – a contribution of around £140,000 was made in 2002 out of its reserves. These arose from the sale of empty flats after Rivermead Court was purchased from the Prudential. The contributions to the cycle of major works shortly to be completed has significantly diminished the reserves and they have been further reduced by the substantial fall over the last two and a half years in the value of the underlying investments and the lower income received from these investments. The market value of our reserves at the time writing is around £725,500.

#### The Board and Managing Agents

As many of you know Gordon and Dawn Howe will be leaving Rivermead shortly and Gordon will be resigning his directorship. Gordon's experience and expertise has been of enormous help to us during the years he has been on the Board, for which we are most grateful. He will be greatly missed. We are fortunate in being able to call on Michael Austin, also a chartered accountant, who joined the Board in March and who will be nominated for re-appointment at the Annual General Meeting.

David Murray, who has supervised the management of Rivermead Court for around twenty years, recently underwent a hip replacement and has informed the Board that he will be retiring later this year. Howard Weinstein, who has been standing in for David Murray will be taking over. On behalf of all residents I would like to thank David for the patience, good humour and skill with which he has undertaken the task of sorting out and advising on the many problems that have beset Rivermead Court and its residents over that lengthy period and to wish him a happy retirement.

Finally, I wish to thank the members of the Board and the sub-committees, who have voluntarily given of their time and knowledge to help maintain the standards of the estate, and to thank the staff who continue to provide a high level of service to us all.



L J Manson

**Chairman**

15 May 2003

## RIVERMEAD COURT LIMITED

### Report of the directors for the year ended 31 December 2002

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The directors present their annual report together with audited financial statements for the year ended 31 December 2002.

#### 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.

#### Results

The profit and loss account is set out on page 7 and shows the company's loss 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 2002	1 January 2002 (or on appointment if later)
Louis Joshua Manson	1	1
Gordon James Howe	1	1
Michael Austin (appointed 17 March 2003)	1	1
Susan Jane Fox	1	1
Suzanne Jean Henderson	1	1
Lady Legg	1	1
James Thomas McDonough	1	1
Richard Frank Coleman Pollitzer	1	1

Suzanne Jean Henderson and James Thomas McDonough retire as directors in accordance with the company's articles of association by rotation and offer themselves for re-appointment.

Michael Austin was appointed since the last Annual General Meeting and in accordance with the company's articles of association seeks re-appointment.

## **RIVERMEAD COURT LIMITED**

### **Report of the directors for the year ended 31 December 2002 (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**

Vantis Cosec Limited

**Secretary**

15 May 2003

## **RIVERMEAD COURT LIMITED**

### **Report of the independent auditors**

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#### **To the shareholders of Rivermead Court Limited**

We have audited the financial statements of Rivermead Court Limited for the year ended 31 December 2002 on pages 7 to 14 which have been prepared under the accounting policies set out on page 9.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with United Kingdom 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.

**RIVERMEAD COURT LIMITED**

**Report of the independent auditors (*Continued*)**

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*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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', is written over a horizontal line.

**BDO ST~~OY~~ HAYWARD**

*Chartered Accountants  
and Registered Auditors  
London*

15 May 2003



**RIVERMEAD COURT LIMITED****Profit and loss account for the year ended 31 December 2002**

	Note	2002 £	2001 £
Turnover		-	-
Other operating income		928,363	835,384
Administrative costs		(1,105,925)	1,114,685
		<u>(177,562)</u>	<u>(279,301)</u>
Interest receivable and similar income		37,811	174,907
		<u>37,811</u>	<u>174,907</u>
<b>Loss on ordinary activities before taxation</b>	3	<b>(139,751)</b>	<b>(104,394)</b>
Taxation on result on ordinary activities	4	(2,207)	30,802
		<u>(2,207)</u>	<u>30,802</u>
<b>Loss on ordinary activities after taxation and for the year</b>	10	<b>(137,544)</b>	<b>(135,196)</b>
		<u><u>(137,544)</u></u>	<u><u>(135,196)</u></u>

All amounts relate to continuing activities

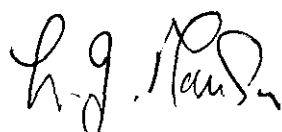
All gains and losses recognised in the year are included in the profit and loss account

The notes on pages 9 to 13 form part of these financial statements

**RIVERMEAD COURT LIMITED****Balance sheet at 31 December 2002**

	Note	2002 £	2001 £
<b>Current assets</b>			
Property	5	192,359	192,359
Investments	6	402,484	633,986
Debtors	7	405,715	334,250
Cash at bank and in hand		272,003	231,744
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	8	1,272,561 549,441	1,392,339 531,675
		<hr/>	<hr/>
		723,120	860,664
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	9	207	207
Profit and loss account	10	722,913	860,457
		<hr/>	<hr/>
<b>Shareholders' funds - equity</b>		723,120	860,664
		<hr/>	<hr/>

The financial statements were approved by the Board on 15 May 2003



L J Manson  
Director

The notes on pages 9 to 13 form part of these financial statements

## RIVERMEAD COURT LIMITED

### Notes forming part of the financial statements for the year ended 31 December 2002

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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.

##### *Other operating income*

Other operating income represents amounts receivable from the lessees of properties at Rivermead Court by way of service charges and provisions for future expenditure.

##### *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

	2002 £	2001 £
Staff costs consist of:		
Wages and salaries	209,753	188,472
Social security costs	17,832	15,652
	<hr/>	<hr/>
	227,585	204,124
	<hr/>	<hr/>

The average weekly number of full-time employees during the year was 13 (2001 - 13).

# RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

## 3 Loss on ordinary activities before taxation

	2002 £	2002 £	2001 £	2001 £
This is arrived at after charging:				
Auditors' remuneration - audit services	12,500		12,000	
- non-audit services	3,950		1,450	
		16,450		13,450
and after crediting:				
Rents receivable		69,159		60,987
Income from investments - listed	8,012		11,917	
- unlisted	8,732		12,628	
		16,744		24,545

No director received any remuneration during the year.

## 4 Taxation on loss on ordinary activities

	2002 £	2001 £
<i>Current tax</i>		
UK corporation tax on profits of the year	7,650	30,802
Adjustment in respect of previous years	(9,857)	-
Taxation on profit on ordinary activities	(2,207)	30,802

# RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

## 4 Taxation on loss on ordinary activities

	2002 £	2001 £
<i>Current tax</i>		
UK corporation tax on profits for the year	(2,207)	30,802

The company is a mutual trading company for taxation purposes. The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Loss on ordinary activities before tax	(139,751)	(104,394)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2001 – 20%)	(26,553)	(20,879)
Effects of:		
Income and expenditure not taxable	34,203	51,681
Adjustment to tax charge in respect of previous years	(9,857)	-
Current tax (credit)/charge for year	(2,207)	30,802

## 5 Property

*Cost*

At 1 January 2002 and 31 December 2002	192,359
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## RIVERMEAD COURT LIMITED

### Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

#### 6 Investments

All investments are stated at the lower of cost and net realisable value. The market value at 31 December 2002 was £703,203 (2001 - £1,196,804).

The investments held at 31 December were as follows:-

	2002 £	2001 £
Listed on UK stock exchange		
£ 60,000 Reuters Group 2004	-	59,440
£100,000 Tesco 2009	96,148	92,758
37,900 Finsbury Growth Trust ordinary shares of 25p each	-	50,165
17,500 Electric and General Investment Company ordinary shares of 5p each	-	39,898
43,500 Anglo and Overseas Trust	-	75,169
	<hr/>	<hr/>
	96,148	317,430
Not listed on recognised stock exchange		
10,500 Hallmark Growth Portfolio	78,799	78,799
273,790 Threadneedle UK Growth Trust	67,807	67,807
31,000 St James' Place International Unit Trust (2001 - 36,000)	63,328	73,548
50,000 Newton Fund Managers Income Fund	96,402	96,402
	<hr/>	<hr/>
	402,484	633,986
	<hr/>	<hr/>

Included in interest receivable and similar income is an amount of £16,714 (2001 - £136,523) representing the gain arising on the sale of investments.

#### 7 Debtors

	2002 £	2001 £
Trade debtors	325,847	281,131
Other debtors	23,112	6,644
Prepayments and accrued income	16,689	22,684
Insurance claims	12,000	23,791
Service charges receivable	28,067	
	<hr/>	<hr/>
	405,715	334,250
	<hr/>	<hr/>

# RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

## 8 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	479,386	408,568
Other creditors	5,542	10,982
Taxation and social security	-	5,471
Corporation tax	-	31,176
Accruals	64,513	75,478
	<u>549,441</u>	<u>531,675</u>

## 9 Share capital

	2002 Number	2001 Number	Authorised 2002 £	2001 £
Ordinary shares of £1 each	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>

	2002 Number	2001 Number	2002 £	2001 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>207</u>	<u>207</u>	<u>207</u>	<u>207</u>

## 10 Profit and loss account

	2002 £	2001 £
Retained profit brought forward	860,457	995,653
Loss for the year	(137,544)	(135,196)
	<u>722,913</u>	<u>860,457</u>
Retained profit carried forward		

## RIVERMEAD COURT LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

### 11 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Loss for the year	(137,544)	(135,196)
Opening shareholders' funds	860,664	995,860
	<hr/>	<hr/>
Closing shareholders' funds	723,120	860,664
	<hr/>	<hr/>

### 12 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.