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**MARSHAM COURT MANAGEMENT COMPANY LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE**

**YEAR ENDED 31 DECEMBER 1999**

**ROBERT TAYLOR ASSOCIATES**

Chartered Accountants  
Standbrook House  
2-5 Old Bond Street  
London W1X 3TB



**MARSHAM COURT MANAGEMENT COMPANY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 1999**

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Registered Office: Robert Taylor Associates  
Standbrook House  
2-5 Old Bond Street  
London W1X 3TB

Company Number: 1602191

# **MARSHAM COURT MANAGEMENT COMPANY LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999**

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31 December 1999.

### **STATEMENT OF 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.

### **PRINCIPAL ACTIVITY**

The company was formed for the purpose of acquiring and managing the freehold interest in Marsham Court, Marsham Street, London SW1 from the City of Westminster Assurance Company Limited and as such does not trade and did not trade during the year.

The accounts disclose on page 5 the expenditure incurred in managing the freehold property, which constituted its main activity for the year.

The company is a non-profit making body; accordingly it does not make transfers to reserves, nor vote dividends.

## MARSHAM COURT MANAGEMENT COMPANY LIMITED

### DIRECTORS' REPORT (continued)

#### DIRECTORS AND THEIR INTERESTS

The directors and their interests in the share capital of the company were as follows:

	<u>Number of Shares</u>	
	<u>1.1.99</u>	<u>31.12.99</u>
	<u>or date of appointment/ resignation</u>	
T S Corrigan OBE CA (Chairman)	1	1
Mrs J M Stretton Clayton (Secretary)	1	1
Miss H Donoghue (appointed 13 September 1999)	1	1
R W Farrington	1	1
Dr M S Hill Perkins	1	1
Miss R E Moodie	1	1
J H Prideaux OBE FRICS	1	1
Rear Admiral D M Pulvertaft CB	1	1

During the year the company effected a directors' and officers' liability insurance for a premium of £832.

#### AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Robert Taylor Associates as auditors to the company will be put to the next Annual General Meeting.

#### SMALL COMPANY RULES

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 24 January 2000 and signed on its behalf.



Mrs J M Stretton Clayton  
Secretary

## **MARSHAM COURT MANAGEMENT COMPANY LIMITED**

### **AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the financial statements on pages 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999) under the historical cost convention and the accounting policies set out on page 7.

#### **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.

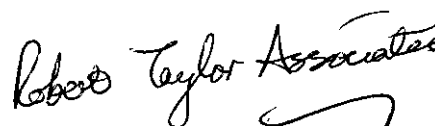
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 31 December 1999 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Robert Taylor Associates  
Standbrook House  
2-5 Old Bond Street  
London W1X 3TB

Date: 24 January 2000



Chartered Accountants  
Registered Auditors

# MARSHAM COURT MANAGEMENT COMPANY LIMITED

## BALANCE SHEET AT 31 DECEMBER 1999

	Notes	£	£	1998	£
<b>FIXED ASSETS</b>					
Tangible	4		51,082		51,082
Investments	4		181,253		181,252
			<u>232,335</u>		<u>232,334</u>
<b>CURRENT ASSETS</b>					
Debtors	5	37,526		67,920	
Cash at bank	6	176,506		85,344	
		<u>214,032</u>		<u>153,264</u>	
<b>CREDITORS: amounts falling due within one year</b>	7	64,442		52,402	
		<u>64,442</u>		<u>52,402</u>	
<b>NET CURRENT ASSETS</b>			149,590		100,862
<b>MEDIUM TERM DEBTORS</b>	5		5,556		9,884
			<u>5,556</u>		<u>9,884</u>
<b>NET ASSETS</b>			<u>387,481</u>		<u>343,080</u>
Representing:					
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	8		327,705		286,864
			<u>327,705</u>		<u>286,864</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9	147		147	
Extraordinary fund	10	59,629		56,069	
		<u>59,629</u>		<u>56,069</u>	
<b>SHAREHOLDERS' FUNDS</b>			59,776		56,216
			<u>59,776</u>		<u>56,216</u>
			<u>387,481</u>		<u>343,080</u>

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standards for Smaller Entities (effective March 1999) were approved by the board on 24 January 2000 and signed on its behalf.



T S Corrigan  
Chairman

**MARSHAM COURT MANAGEMENT COMPANY LIMITED**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1999**

				<u>1998</u>	
	<u>Notes</u>	£	£	£	£
<b>TURNOVER</b>					
Service charges to leaseholders	2		365,150		365,150
 <b>PROPERTY MAINTENANCE COSTS</b>					
Porterage and cleaning		185,455		189,195	
Provision of hot water and hygiene		28,609		38,415	
Lift		12,063		10,589	
Building		11,323		22,183	
Electricity		9,409		9,773	
Sundries		13,319		11,378	
Insurance policies		14,870		18,289	
Common parts windows and external decoration		-		220,550	
Amount recoverable from commercial parts		(3,723)		(5,777)	
			(271,325)		(514,595)
			93,825		(149,445)
 <b>ADMINISTRATIVE EXPENSES</b>					
Management fee		22,325		22,325	
Solicitors' fees		5,999		6,000	
Accountancy & professional fees		14,990		13,750	
Audit fee		300		294	
Bank charges		-		33	
			(43,614)		(42,402)
 <b>INTEREST RECEIVABLE</b>	1(b)		4,156		10,074
 <b>TAX ON INTEREST RECEIVED</b>	3		(1,413)		(3,342)
 <b>TRANSFER FROM SINKING FUND</b>			-		170,550
 <b>TRANSFER TO SINKING FUND</b>			(30,000)		(30,000)
 <b>AMOUNT REPAYABLE TO (RECOVERABLE FROM) LEASEHOLDERS</b>			22,954		(44,565)

**MARSHAM COURT MANAGEMENT COMPANY LIMITED**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)**

The only other recognised gain during the year not included in the income and expenditure account was as follows:

	£	<u>1998</u> £
<b>SINKING FUND (see note 8)</b>		
Surplus on redemption of investment	-	5,868
	<u>          </u>	<u>          </u>



# MARSHAM COURT MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 1 ACCOUNTING POLICIES

#### (a) Accounting Conventions

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has not prepared a cash flow statement on the grounds that it is not required by the Financial Reporting Standard for Smaller Entities (effective March 1999).

#### (b) Interest Received

Interest arising on monies deposited with banks and building societies is accounted for on a receipts basis. Interest on sinking fund and extraordinary fund monies (net of corporation tax) is accumulated with the sinking fund and extraordinary fund and not dealt with through the Income and Expenditure Account (see notes 8 and 10 below).

#### (c) Corporation Tax

Any surplus arising in relation to leaseholders' service charges is exempt from taxation. No such exemption applies to investment income; tax is provided on gross income received, including interest on sinking fund and extraordinary fund monies.

### 2 TURNOVER

Income represents service charges receivable for the year in respect of the management of Marsham Court.

### 3 TAXATION

	£	<u>1998</u> £
Tax on service charge interest at 34% (1998: 33.2%)	<u>1,413</u>	<u>3,342</u>
Tax on sinking fund interest at 25.8% (1998: 31.7%) (see note 8)	<u>3,020</u>	<u>7,293</u>
Corporation tax (recoverable) chargeable under Case VI on realised and unrealised capital (losses) gains at 20.25% (1998: 21%) (see note 8)	<u>(1,155)</u>	<u>1,720</u>

# MARSHAM COURT MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

### 4 FIXED ASSETS

#### (a) Tangible

The freehold interest in Marsham Court, London SW1 vested in the Management Company on 7 October 1985. The consideration payable for the interest on transfer to the Company was £1.

The reinstatement cost of the building for fire insurance purposes at 1 January 2000 was £29,265,968 (1 January 1999: £28,202,725).

The tangible fixed assets comprise the following:

	<u>Property Enhancement</u>	<u>Freehold Property</u>	<u>Total Costs</u>
	£	£	£
Balance at beginning and end of year	51,081	1	51,082
	<u>          </u>	<u>          </u>	<u>          </u>

The property enhancement costs shown above represent expenditure incurred in creating an additional flat (see note 10 below).

#### (b) Investments

		<u>1998</u>
Cost	£	£
Listed	181,252	181,252
Unlisted	1	-
	<u>          </u>	<u>          </u>
	181,253	181,252
	<u>          </u>	<u>          </u>

The listed investments consist of UK Index Linked Treasury Stocks. The market value of these investments at the balance sheet date was £208,435 (1998: £214,050).

The unlisted investment is the cost of one share issued in the year by Marsham Court Services Limited, a wholly owned subsidiary. The subsidiary has not traded in the period to 31 December 1999.

**MARSHAM COURT MANAGEMENT COMPANY LIMITED**

**NOTES TO THE ACCOUNTS FOR  
THE YEAR ENDED 31 DECEMBER 1999 (continued)**

**5 DEBTORS**

		<u>1998</u>
	£	£
Amounts falling due within one year:		
Prepayments	7,323	9,888
Short term loans	4,328	2,560
Other	25,875	55,472
	<hr/>	<hr/>
	37,526	67,920
	<hr/>	<hr/>
Medium term loans	5,556	9,884
	<hr/>	<hr/>

**6 CASH AT BANK**

		<u>1998</u>
	£	£
Bank balances	176,506	85,344
	<hr/>	<hr/>

**7 CREDITORS**

		<u>1998</u>
	£	£
Amounts falling due within one year:		
Taxation and social security	8,706	16,101
Other	39,549	26,817
Accruals	16,187	9,484
	<hr/>	<hr/>
	64,442	52,402
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# MARSHAM COURT MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

### 8 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for certain future expenditure are dealt with in a sinking fund account which is interest bearing.

The movement on the sinking fund account is as follows:

	£	<u>1998</u> £
Balance at beginning of year	286,864	407,577
Transfer from Income and Expenditure Account	30,000	30,000
Transfer to Income and Expenditure Account	-	(170,550)
Surplus on redemption of investment	-	5,868
Corporation tax recoverable (chargeable) on realised and unrealised losses (1998: gains) on investments	1,155	(1,720)
Interest received for the year	11,716	22,982
Tax on interest received	(3,020)	(7,293)
Prior year's tax over provision	990	-
	<hr/>	<hr/>
Balance at end of year	327,705	286,864
	<hr/>	<hr/>

The sinking fund account represents the amount retained as reasonably necessary for the purpose of providing for any non-annually recurring future major expenditure.

### 9 CALLED UP SHARE CAPITAL

	£	<u>1998</u> £
Authorised £1 ordinary shares	147	147
	<hr/>	<hr/>
Issued £1 ordinary shares	147	147
	<hr/>	<hr/>

**MARSHAM COURT MANAGEMENT COMPANY LIMITED**

**NOTES TO THE ACCOUNTS FOR  
THE YEAR ENDED 31 DECEMBER 1999 (continued)**

**10. EXTRAORDINARY FUND**

The Extraordinary Fund account represents the profit after tax on the creation and sale of an additional flat.

The movement on the extraordinary fund account is as follows:

	£	<u>1998</u> £
Balance at beginning of year	56,069	75,057
Expenditure on front entrances	-	(5,544)
Loans for windows expenditure repaid (advanced)	3,560	(13,444)
	<u>59,629</u>	<u>56,069</u>

During the year ended 31 December 1998, the company contracted with Anglian Windows for a windows replacement programme. In connection with the programme the directors resolved to make loans to certain leaseholders to enable them to fund the expenditure on the basis that these loans would be repaid under certain conditions and circumstances. It was also resolved that the Extraordinary Fund would be used to finance these loans and that they would then be credited to reinstate its position once they had been repaid by the leaseholders. The amounts of £13,444 and £3,560 referred to above reflect the loans and repayments respectively.