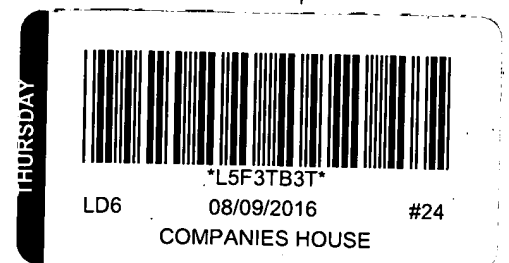


MARSHAM COURT MANAGEMENT COMPANY LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2015

Company Registration Number 01602191



MARSHAM COURT MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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MARSHAM COURT MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Callum Macpherson (Chairman)
David Prince CBE
Ms Helen Donoghue
Miss Esther R A M van de Geijn
Frederick R Mingay CMG
Sir Andrew C Smith
Sir Brian A Briscoe
Henry M A Brookman
Ms Jane E Gordon-Cummings
Ms Marie E Winckler

Company secretary

Ms Helen Donoghue

Registered office

15 Whitehall
London
SW1A 2DD

Auditors

F. W. Smith, Riches & Co.
Chartered Accountants
& Statutory Auditors
15 Whitehall
London
SW1A 2DD

MARSHAM COURT MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The company was formed for the purpose of acquiring and managing the freehold interest in Marsham Court, Marsham Street, London SW1. In 1985 the company acquired the freehold interest in Marsham Court from the City of Westminster Assurance Company Limited. The financial statements disclose the income and expenditure incurred in managing the freehold property, which constituted the company's main activity for the year. The company is a non-profit making body; accordingly it does not vote dividends.

DIRECTORS

The directors who served the company during the year were as follows:

Callum Macpherson (Chairman)	
David Prince CBE	
Ms Helen Donoghue	
Miss Esther R A M van de Geijn	
Frederick R Mingay CMG	
Richard J Thompson	(Retired 20 May 2015)
Sir Andrew C Smith	
Sir Brian A Briscoe	
Henry M A Brookman	
Ms Jane E Gordon-Cummings	
Ms Marie E Winckler	(Appointed 20 May 2015)

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 surplus or deficit 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 judgements and accounting 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.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTORS' RESPONSIBILITIES *(continued)*

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIRECTORS' INDEMNITY INSURANCE

During the year the company maintained a policy of indemnity insurance for the benefit of all of the company's directors.

AUDITORS

A resolution for the reappointment of F. W. Smith, Riches & Co. as auditors to the company is to be proposed at the forthcoming Annual General Meeting in accordance with section 485 of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed on behalf of the directors



Callum Macpherson
Chairman

17th February 2016

Company Registration Number: 01602191

MARSHAM COURT MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of Marsham Court Management Company Limited for the year ended 31 December 2015 on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them 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 shareholders 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 Directors' Responsibilities Statement set out on pages 2 to 3, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2015 and of its deficit 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.

OPINION ON OTHER MATTERS 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.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2015

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 in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Directors' Report.



Martin J Rooney (Senior Statutory Auditor)
For and on behalf of F. W. Smith, Riches & Co.
Chartered Accountants & Statutory Auditors
London

17th February 2016

MARSHAM COURT MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
TURNOVER		843,884	750,624
Cost of sales		<u>995,481</u>	<u>1,006,991</u>
OPERATING DEFICIT	2	(151,597)	(256,367)
Interest receivable		3,929	5,613
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(147,668)</u>	<u>(250,754)</u>
Tax on deficit on ordinary activities	3	784	1,206
DEFICIT FOR THE FINANCIAL YEAR		<u>(148,452)</u>	<u>(251,960)</u>
Transfer from sinking fund reserve		143,075	253,043
Transfer from/(to) extraordinary fund reserve		<u>5,377</u>	<u>(1,083)</u>
Balance carried forward		<u><u>—</u></u>	<u><u>—</u></u>

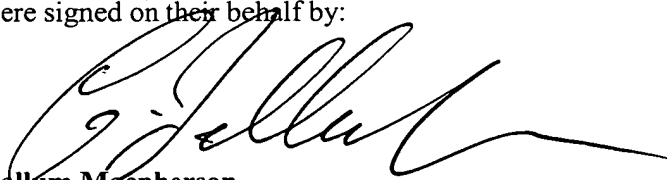
MARSHAM COURT MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	4	140,530	108,451
Investments	5	1	1
		<u>140,531</u>	<u>108,452</u>
CURRENT ASSETS			
Debtors	6	27,442	74,730
Cash at bank and in hand	7	424,812	544,723
		<u>452,254</u>	<u>619,453</u>
CREDITORS: Amounts falling due within one year	8	<u>304,157</u>	<u>290,825</u>
NET CURRENT ASSETS		<u>148,097</u>	<u>328,628</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>288,628</u>	<u>437,080</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	149	149
Other reserves	10	288,479	436,931
SHAREHOLDERS' FUNDS		<u>288,628</u>	<u>437,080</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 6 to 12 were approved by the directors on 17th February 2016 and were signed on their behalf by:


Callum Macpherson
Chairman

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The principal activity of the company is the management of Marsham Court, a building containing mainly residential flats. As such the company expends monies received from residential service charges. Under Section 42 of the Landlord and Tenant Act 1987 unexpended service charge monies are required to be held on trust by the company. These financial statements include the service charges receivable, the expenditure incurred and the assets and liabilities of the trust. The assets and liabilities of the trust are set out in note 11 to the financial statements.

Turnover

Turnover represents residential and commercial service charges receivable in respect of services provided during the year.

Depreciation

No depreciation is provided on Freehold Property (which comprises the Freehold of Marsham Court together with ownership of the Head Porter's Flat) as in the opinion of the directors any element of depreciation would be immaterial.

Depreciation is calculated so as to write off the cost of Freehold Property Improvements, less their estimated residual value, over their useful economic life of 10 years.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Taxation

A surplus arising in relation to leaseholders' service charges is exempt from taxation. No such exemption applies to investment and other income and profits generated by the company; tax is provided on these sources of income. Investment income arising on monies held from leaseholders is subject to income tax at the rates applicable to trusts. Investment income arising from monies held by the company in its own rights and other income and profits generated by the company are subject to corporation tax.

Investment income

Investment income is accounted for on a receipts basis.

Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

Pension costs

The company operates a stakeholder pension scheme for employees. Pension costs are charged to the profit and loss account in the period to which they relate.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. OPERATING DEFICIT

Operating deficit is stated after charging:

	2015 £	2014 £
Directors' remuneration	—	—
Staff pension contributions	13,085	7,639
Depreciation	5,737	—
Auditors' remuneration	<u>5,600</u>	<u>5,400</u>

3. TAX ON DEFICIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax:		
UK Corporation Taxation		
UK Corporation tax based on the results for the year at 20% (2014 - 20%)	91	272
UK Income Taxation		
Current tax on income for the year	<u>693</u>	<u>934</u>
Total current tax	<u>784</u>	<u>1,206</u>

(b) Factors affecting current tax charge

The tax assessed on the deficit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 20% (2014 - 20%) as follows:

	2015 £	2014 £
Deficit on ordinary activities before taxation	<u>(147,668)</u>	<u>(250,754)</u>
Deficit on ordinary activities multiplied by rate of tax	(29,534)	(50,151)
Deficit arising on residential service charges not taxable	<u>30,318</u>	<u>51,357</u>
Total current tax (note 3(a))	<u>784</u>	<u>1,206</u>

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Freehold Property Improve- ments £	Total £
COST			
At 1 January 2015	51,082	57,369	108,451
Additions	–	37,816	37,816
At 31 December 2015	<u>51,082</u>	<u>95,185</u>	<u>146,267</u>
DEPRECIATION			
Charge for year	–	5,737	5,737
At 31 December 2015	<u>–</u>	<u>5,737</u>	<u>5,737</u>
NET BOOK VALUE			
At 31 December 2015	<u>51,082</u>	<u>89,448</u>	<u>140,530</u>
At 31 December 2014	<u>51,082</u>	<u>57,369</u>	<u>108,451</u>

Freehold Property comprises the following:

	2015 £	2014 £
Cost of Marsham Court's freehold	1	1
Development of Head Porter's Flat	<u>51,081</u>	<u>51,081</u>
	<u>51,082</u>	<u>51,082</u>

The Freehold interest in Marsham Court, London, SW1 vested in the company on 7 October 1985. The Head Porter's flat was developed in 1996.

Freehold Property Improvements comprise expenditures incurred in improving the quality of the property which in the opinion of the directors and their advisers is not recoverable from the leaseholders.

The reinstatement costs of the building for fire insurance purposes as at 31 December 2015 was £49,243,000 (2014: £47,128,380).

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

5. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2015 and 31 December 2015	<u>1</u>
NET BOOK VALUE	
At 31 December 2015 and 31 December 2014	<u>1</u>

The investment is the cost of one share in Marsham Court Services Limited, a wholly owned subsidiary. The subsidiary has remained dormant since incorporation and at 31 December 2015 the aggregate of its share capital and reserves was £1.

6. DEBTORS

	2015 £	2014 £
Trade debtors	4,446	14,899
Other debtors	<u>22,996</u>	<u>59,831</u>
	<u>27,442</u>	<u>74,730</u>

Other debtors includes £2,566 (2014: £2,566) which is recoverable in more than one year.

7. CASH AT BANK AND IN HAND

Cash at bank and in hand includes balances of £201,189 (2014: £182,693) held in bank accounts which are controlled and managed, on a day to day basis, by the company's managing agent.

8. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	85,209	24,404
Corporation tax	91	272
Other taxation and social security	6,833	10,983
Other creditors	<u>212,024</u>	<u>255,166</u>
	<u>304,157</u>	<u>290,825</u>

9. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>149</u>	<u>149</u>	<u>149</u>	<u>149</u>

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10. RESERVES

	Sinking fund reserve £	Extraordinary fund reserve £	Income and expenditure account £
Balance brought forward	219,592	217,339	–
Deficit for the year	–	–	(148,452)
Other movements			
- transfer (from) to other reserves	(143,075)	(5,377)	148,452
Balance carried forward	<u>76,517</u>	<u>211,962</u>	<u>–</u>

The sinking fund reserve has been established for the purpose of providing for any non-annually recurring future major expenditure.

The extraordinary fund reserve represents the after tax profit arising on the following: the profit on the sale of an additional flat in 1996; the grant of two new residential leases in 2014; the profit arising on certain rights in 2014; and interest arising on these.

11. ASSETS AND LIABILITIES OF THE TRUST UNDER SECTION 42 LANDLORD AND TENANT ACT 1987

	2015 £	2014 £
Debtors	62,964	69,750
Cash in bank and in hand	315,053	491,669
	<u>378,017</u>	<u>561,419</u>
Creditors: amounts falling due within one year	(301,500)	(341,827)
Net assets	<u>76,517</u>	<u>219,592</u>
Represented by:		
Sinking fund reserve	<u>76,517</u>	<u>219,592</u>

12. RELATED PARTY DISCLOSURES

The company had no controlling party in either 2015 or 2014.