

THE OSPREY MANAGEMENT COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2000

Company No. 1864755



THE OSPREY MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

Directors

V. S. N. Hards
J. E. Brewer
T. Osborne

Secretary

J. E. Brewer

Company Number

1864755

Registered Office

112 Mill Plat
Old Isleworth
Middlesex
TW7 6BZ

Reporting Accountants

Wilkins Kennedy
BRB House
180 High Street
Egham
Surrey
TW20 9DN

THE OSPREY MANAGEMENT COMPANY LIMITED

CONTENTS

| | Page |
|--|-------------|
| Directors' Report | 1 to 2 |
| Accountants' Report | 3 |
| Profit and Loss Account | 4 |
| Balance Sheet | 5 |
| Notes to the Financial Statements | 6 to 10 |

THE OSPREY MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

The directors present their report together with the financial statements for the year ended 30th September 2000.

Principal Activities and Review of Business

The principal activity of the company continued to be that of property management.

The directors are pleased to report a satisfactory year's trading and are hopeful of maintaining this in the forthcoming period.

Results and Dividends

The results for the year are set out in the profit and loss account on page 4.

During the year interim dividends of £20,000 (1999 - £10,000) were paid. The directors do not recommend any further dividends.

Market Value of Land and Buildings

The market value of the company's land and buildings at the balance sheet date is not considered to be significantly different than the book value of £192,600.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

| | Ordinary Shares | |
|----------------|---------------------------|---------------------------|
| | 30th September 2000 | 30th September 1999 |
| V. S. N. Hards | 60,000 | 60,000 |
| J. E. Brewer | - | - |
| T. Osborne | - | - |

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 the company's affairs and of the profit or loss for that year. In preparing these 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 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.

THE OSPREY MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2000


This report was approved by the board on *14th December 2000*, and signed on its behalf.

J. E. Brewer, Secretary



ACCOUNTANTS' REPORT TO THE DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
THE OSPREY MANAGEMENT COMPANY LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30th September 2000, set out on pages 4 to 10, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Wilkins Kennedy
Chartered Accountants
BRB House
180 High Street
Egham
Surrey
TW20 9DN
Date: 18th December 2000

THE OSPREY MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

| | Notes | 2000 £ | 1999 £ |
|--|-------|-----------|-----------|
| Turnover | 2 | 158,651 | 126,315 |
| Cost of sales | | 7,000 | 10,590 |
| Gross Profit | | 151,651 | 115,725 |
| Administrative expenses | | 122,423 | 97,660 |
| Operating Profit | 3 | 29,228 | 18,065 |
| Interest receivable | 5 | 634 | 1,015 |
| Interest payable and similar charges | 6 | - | 1,877 |
| Profit on Ordinary Activities before Taxation | | 29,862 | 17,203 |
| Tax on profit on ordinary activities | 7 | 7,450 | 2,966 |
| Profit for the Financial Year | | 22,412 | 14,237 |
| Dividends | 8 | 20,000 | 10,000 |
| Retained Profit for the Year | 14 | 2,412 | 4,237 |
| Retained Profit Brought Forward | | 57,913 | 53,676 |
| Retained Profit Carried Forward | | 60,325 | 57,913 |

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

THE OSPREY MANAGEMENT COMPANY LIMITED

BALANCE SHEET

AS AT 30TH SEPTEMBER 2000

| | Notes | 2000 £ | 1999 £ |
|---|-------|----------------|----------------|
| Fixed Assets | | | |
| Tangible assets | 9 | 275,827 | 285,488 |
| Current Assets | | | |
| Debtors | 10 | 41,616 | 10,335 |
| Cash at bank and in hand | | 18,516 | 14,107 |
| | | <u>60,132</u> | <u>24,442</u> |
| Creditors: Amounts Falling Due Within One Year | 11 | 59,534 | 35,917 |
| | | <u>59,534</u> | <u>35,917</u> |
| Net Current Assets/Liabilities | | 598 | (11,475) |
| Total Assets Less Current Liabilities | | 276,425 | 274,013 |
| Provision for Liabilities and Charges | | | |
| Deferred taxation | 12 | 13,500 | 13,500 |
| | | <u>13,500</u> | <u>13,500</u> |
| | | <u>262,925</u> | <u>260,513</u> |
| Capital and Reserves | | | |
| Share capital | 13 | 60,000 | 60,000 |
| Revaluation reserve | 14 | 142,600 | 142,600 |
| Profit and loss account | 14 | 60,325 | 57,913 |
| | | <u>60,325</u> | <u>57,913</u> |
| Shareholders' Funds (equity interests) | 16 | 262,925 | 260,513 |
| | | <u>262,925</u> | <u>260,513</u> |

The directors are of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 30th September 2000.

The directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The directors confirm that they are responsible for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the board on *14th December 2000* and signed on its behalf.

V. S. N. Hards
Director



The notes on pages 6 to 10 form part of these financial statements.

THE OSPREY MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

1 Accounting Policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention except that certain freehold properties are shown at their revalued amounts.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives. The rates and periods generally applicable are:

| | | |
|-----------------------|---|-------------------|
| Freehold properties | - | Nil |
| Plant and machinery | - | 25% straight line |
| Motor vehicles | - | 25% straight line |
| Fixtures and fittings | - | 5% straight line |

No depreciation is provided in respect of freehold buildings held as investment properties in accordance with SSAP 19. The directors consider that this departure from Companies Act 1985 requirement is necessary to show a true and fair view.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

THE OSPREY MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

3 Operating Profit

The operating profit is arrived at after charging or crediting:

| | 2000 | 1999 |
|------------------------------|--------|--------|
| | £ | £ |
| Depreciation of owned assets | 12,152 | 11,722 |
| Hire of equipment | 710 | 799 |

4 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

| | 2000 | 1999 |
|-----------------------|--------|--------|
| | £ | £ |
| Wages and salaries | 51,820 | 49,568 |
| Social security costs | 5,607 | 4,748 |
| Other pension costs | 27,813 | 5,851 |
| Other costs | 2,049 | 1,281 |
| | 87,289 | 61,448 |

The average monthly number of employees, including directors, during the year was as follows:

| | 2000 | 1999 |
|----------------|--------|--------|
| | Number | Number |
| Management | 3 | 3 |
| Administration | 2 | 3 |
| | 5 | 6 |

Directors' emoluments

| | 2000 | 1999 |
|---|--------|--------|
| | £ | £ |
| Emoluments | 38,049 | 36,281 |
| Directors' pension contributions under defined contribution schemes | 27,813 | 5,851 |
| | 65,862 | 42,132 |

Retirement benefits were accruing to directors under schemes as follows:-

| | 2000 | 1999 |
|------------------------|--------|--------|
| | Number | Number |
| Money purchase schemes | 1 | 1 |

5 Interest receivable

| | 2000 | 1999 |
|---------------|------|-------|
| | £ | £ |
| Bank interest | 634 | 1,015 |

THE OSPREY MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

| | | | |
|----------|--|-------------|-------|
| 6 | Interest Payable and Similar Charges | 2000 | 1999 |
| | | £ | £ |
| | Interest payable on loans other than bank loans and overdrafts | - | 1,877 |

| | | | |
|----------|--------------------------------------|-------------|---------|
| 7 | Taxation | 2000 | 1999 |
| | | £ | £ |
| | Based on the profit for the year | | |
| | UK corporation tax at 20% (1999 21%) | 7,450 | 5,416 |
| | Deferred tax charge | - | (2,450) |
| | | 7,450 | 2,966 |

| | | | |
|----------|---------------------------|-------------|--------|
| 8 | Dividends | 2000 | 1999 |
| | | £ | £ |
| | Ordinary dividends - paid | 20,000 | 10,000 |

| | | | |
|----------|------------------------------|-------------|--------|
| 9 | Tangible Fixed Assets | 2000 | 1999 |
| | | £ | £ |
| | | 20,000 | 10,000 |

| | Freehold Land and Buildings | Equipment | Motor Vehicles | Fixtures and Fittings | Total |
|-------------------------------|-----------------------------------|-----------|-------------------|-----------------------------|---------|
| Cost or valuation | £ | £ | £ | £ | £ |
| At 1st October 1999 | 192,600 | 5,635 | 21,923 | 121,682 | 341,840 |
| Additions | - | 2,491 | - | - | 2,491 |
| At 30th September 2000 | 192,600 | 8,126 | 21,923 | 121,682 | 344,331 |
| Depreciation | | | | | |
| At 1st October 1999 | - | 4,842 | 5,023 | 46,487 | 56,352 |
| Charge for the year | - | 588 | 5,480 | 6,084 | 12,152 |
| At 30th September 2000 | - | 5,430 | 10,503 | 52,571 | 68,504 |
| Net Book Value | | | | | |
| At 30th September 2000 | 192,600 | 2,696 | 11,420 | 69,111 | 275,827 |
| At 30th September 1999 | 192,600 | 793 | 16,900 | 75,195 | 285,488 |

The freehold property was valued by the directors at open market valuation.

On a historical cost basis, freehold land and buildings would have been included as follows:

| | 30th September 2000 | 1st October 1999 |
|------|---------------------------|---------------------|
| | £ | £ |
| Cost | 50,000 | 50,000 |

THE OSPREY MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

| 10 | Debtors | 2000 £ | 1999 £ |
|----|---------------|---------------|---------------|
| | Trade debtors | 425 | 200 |
| | Other debtors | 41,191 | 10,135 |
| | | <u>41,616</u> | <u>10,335</u> |

| 11 | Creditors: Amounts Falling Due Within One Year | 2000 £ | 1999 £ |
|----|--|---------------|---------------|
| | Bank loans and overdrafts | 19,500 | 211 |
| | Corporation tax | 7,450 | 5,560 |
| | Other taxes and social security | 5,279 | 6,895 |
| | Other creditors | 21,242 | 6,055 |
| | Accruals and deferred income | 6,063 | 17,196 |
| | | <u>59,534</u> | <u>35,917</u> |

Other creditors include amounts owed to V. S. N. Hards £17,878 (1999 - £6,055) a director of the company and the ultimate controlling party by virtue of number of shares held.

12 Deferred Taxation

The movements in deferred taxation during the current and previous years are as follows:

| | 2000 | 1999 |
|------------------------|---------------|---------------|
| At 1st October 1999 | 13,500 | 15,950 |
| Movement in the year | - | (2,450) |
| At 30th September 2000 | <u>13,500</u> | <u>13,500</u> |

Deferred taxation provided and unprovided for in the financial statements is set out above. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 20% (1999 20%).

| 13 | Share Capital | 2000 £ | 1999 £ |
|----|--|---------------|---------------|
| | Authorised Equity Shares | | |
| | 75,000 Ordinary shares of £1 each | <u>75,000</u> | <u>75,000</u> |
| | Allotted Equity Shares | | |
| | 60,000 Allotted, called up and fully paid ordinary shares of £1 each | <u>60,000</u> | <u>60,000</u> |

THE OSPREY MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

14 Reserves

| | Revaluation Reserve | Profit and Loss Account |
|-------------------------------|------------------------|-------------------------------|
| | £ | £ |
| At 1st October 1999 | 142,600 | 57,913 |
| Profit for the year | - | 2,412 |
| At 30th September 2000 | 142,600 | 60,325 |

15 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £27,813 (1999 £5,851).

16 Reconciliation of Shareholders' Funds

| | 2000 £ | 1999 £ |
|---------------------------------|-----------|-----------|
| Profit for the financial year | 22,412 | 14,237 |
| Dividends | (20,000) | (10,000) |
| Increase in shareholders' funds | 2,412 | 4,237 |
| Opening shareholders' funds | 260,513 | 256,276 |
| Closing shareholders' funds | 262,925 | 260,513 |

17 Transactions with Directors

The company paid rent amounting to £3,000 (1999 - £3,000) to V. S. N. Hards a director of the company and ultimate controlling party.