

Company Registration No. 2067821 (England and Wales)

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 23 JUNE 2004



2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

Directors

P M Hewett
L A Hankins
D H Williams
E Kangesu
P Sobieszczuk
D A Cannell

Secretary

J M Peartree

Company number

2067821

Registered office

Flat 1, 4 Orsett Terrace
London
W2 6AZ

Auditors

Roger H Noble & Co
82 Maldon Road
Burnham on Crouch
Essex
CM0 8NP

Bankers

National Westminster Bank Plc
16a Westbourne Grove
London
W2 5WG

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

CONTENTS

	Page
Directors' report	1
Independent auditors' report	2
<i>Profit and loss account</i>	3
Balance sheet	4
Notes to the financial statements	5 - 7

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 23 JUNE 2004

The directors present their report and financial statements for the year ended 23 June 2004.

Principal activities

The principal activity of the company continued to be that of managing the property at 2 - 14 Orsett Terrace on behalf of the lessees.

Directors

The following directors have held office since 24 June 2003:

P M Hewett
L A Hankins
D H Williams
E Kangesu
P Sobieszczuk
D A Cannell

Directors' interests

The directors are all members and are therefore required to subscribe £1 in the event that the company is put into liquidation.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Roger H Noble & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

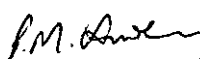
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

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

By order of the board



P M Hewett

Director

19 August 2004

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF 2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

We have audited the financial statements of 2-14 Orsett Terrace Management Company Limited on pages 3 to 7 for the year ended 23 June 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 23 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Roger H Noble & Co

**Chartered Accountants
Registered Auditor**

24 August 2004

**82 Maldon Road
Burnham on Crouch
Essex
CM0 8NP**

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 23 JUNE 2004

	Notes	2004 £	2003 £
Turnover		104,856	88,760
Administrative expenses		(105,554)	(89,239)
Operating loss	2	<u>(698)</u>	<u>(479)</u>
Other interest receivable and similar income	3	<u>698</u>	<u>479</u>
Loss on ordinary activities before taxation		-	-
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation	9	<u>-</u>	<u>-</u>

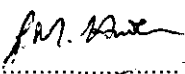
2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT 23 JUNE 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	5		185,000		185,000
Current assets					
Debtors	6	224		6,463	
Cash at bank and in hand		45,112		53,347	
		<u>45,336</u>		<u>59,810</u>	
Creditors: amounts falling due within one year	7	<u>(52,094)</u>		<u>(66,568)</u>	
Net current liabilities			(6,758)		(6,758)
Total assets less current liabilities			<u>178,242</u>		<u>178,242</u>
Creditors: amounts falling due after more than one year	8		<u>(70,091)</u>		<u>(70,091)</u>
			<u>108,151</u>		<u>108,151</u>
Capital and reserves					
Revaluation reserve	9		<u>108,151</u>		<u>108,151</u>
Members' funds			<u>108,151</u>		<u>108,151</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 19 AUGUST 2004



P M Hewett
Director

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 23 JUNE 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for services provided.

1.4 Tangible fixed assets and depreciation

Land and buildings Freehold No depreciation is charged.

1.5 Freehold Property

On the 20 September 1991 the company acquired the freehold of 2-14 Orsett Terrace. This purchase was financed by loans from 22 leaseholders and the company's bankers. The bank loan has been serviced by contributions from the remaining leaseholders to cover both the interest and capital repayments. It had been intended that, when the bank loan was repaid in 1999, the company would extend the original 125 year leases to those with a term of 999 years. At the annual general meeting on 24 September 1999 it was resolved to defer this decision as it appeared that proposed new legislation may considerably simplify the legal process involved.

From 20 September 1991 no ground rents have been collected from the leaseholders.

On 20 November 1992 the company acquired the leasehold of the caretakers flat. The premises were previously leased by the company and an appropriate amount included in the service charge to cover this expenditure. With effect from 20 November 1992 an amount was included in the service charge to cover the repayments to the company's bankers for the loan made to finance the acquisition. The bank loan has now been repaid.

1.6 Company limited by guarantee

The company is limited by guarantee with all sixty seven leaseholders being members. In the event of a liquidation the members undertake to contribute an amount not exceeding £1.

1.7 Provision for major works

In order to level out the annual service charge made to leaseholders the company makes an annual provision for major works to meet the cost of major renovations. In the current year the provision was utilised to the extent of £800 (2003 - £15,500 charge) and the provision at the year end amounted to £37,715 (2003 - £38,515).

2 Operating loss

	2004	2003
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	2,547	2,471

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 23 JUNE 2004

3	Investment income	2004 £	2003 £
	Bank interest	698	479

4 Taxation

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold. The total amount unprovided is £20,549 (2002 - £21,630). At present, it is not envisaged that any tax will become payable in the foreseeable future.

5 Tangible fixed assets

	Land and buildings £
Cost or valuation	
At 24 June 2003 & at 23 June 2004	185,000
Depreciation	
At 24 June 2003 & at 23 June 2004	-
Net book value	
At 23 June 2004	185,000
At 23 June 2003	185,000

The company's freehold property is revalued annually on an open market basis by the directors. On 23 June 2004 the directors considered the value to be £185,000. No depreciation is provided in respect of these properties.

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 23 JUNE 2004

6 Debtors	2004 £	2003 £
Trade debtors	-	6,262
Other debtors	224	201
	<u>224</u>	<u>6,463</u>

The company has lost contact with one leaseholder and was unable to recover outstanding service charges. Application has been made to the court to recover the flat and this has been successful. The flat has been leased to a third party and the present amount outstanding is £nil (2003 - £nil). Future service charges are being recovered as they arise from the rent received. The flat concerned, although legally held by the company, has not been treated as an asset until such time as it is clear that the former leaseholder will not seek to recover the property.

7 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	-	7,686
Trade creditors	11,832	17,966
Other creditors	40,262	40,916
	<u>52,094</u>	<u>66,568</u>

8 Creditors: amounts falling due after more than one year	2004 £	2003 £
Other creditors	<u>70,091</u>	<u>70,091</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments	<u>70,091</u>	<u>70,091</u>

9 Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
Balance at 24 June 2003	<u>108,151</u>	-
Balance at 23 June 2004	<u>108,151</u>	-

In the opinion of the directors the freehold property has a market value of £185,000. The property originally cost £76,849 and the resulting surplus of £108,151 has been transferred to revaluation reserve.