

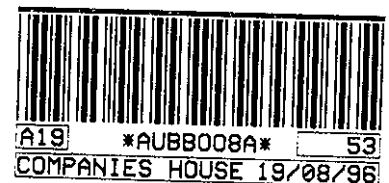
2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

23 JUNE 1996

MESSRS ROGER H NOBLE & CO

CHARTERED ACCOUNTANTS



2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

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2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS: J W Cheetham
P W Hewett
Miss L A Hankins
Miss C A Stramik
D H Williams
Dr E Kangesu

SECRETARY: J M Peartree

REGISTERED OFFICE: Flat 1, 4 Orsett Terrace
London W 2

COMPANY NUMBER: 2067821

AUDITORS: Messrs Roger H Noble & Co
Chartered Accountants
82 Maldon Road
Burnham on Crouch
Essex

BANKERS: National Westminster Bank Plc
16 A Westbourne Grove
London W2 5WG

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the Audited Accounts of the company for the period to 23 June 1996.

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:-

1. Select suitable accounting policies and then apply them consistently
2. Make judgements and estimates that are reasonable and prudent.
3. 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 Activities

The principal activity of the company is the managing of the property at 2-14 Orsett Terrace on behalf of the Lessees.

Directors

The Directors in office during the year and their beneficial interests in the share capital were as follows:

	23.6.1996	23.6.1995
J W Cheetham	1	1
P M Hewett	1	1
Miss L A Hankins	1	1
Miss C A Stramik	1	1
D H Williams	1	1
Dr E Kangesu	1	1

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on ~~12 August~~ 1996 and signed on their behalf.


J W Cheetham - Director

REPORT OF THE AUDITORS TO THE MEMBERS OF

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

We have audited the Financial Statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS


As described on page 2 the company's directors are responsible 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 23 June 1996 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


Messrs Roger H Noble & Co.,
Registered Auditors,
Chartered Accountants,
82 Maldon Road,
Burnham-on-Crouch,
Essex

16 August 1996

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR TO 23 JUNE 1996

1995		Note	1996
80,405	<u>TURNOVER</u>	2	83,473
76,600	ADMINISTRATIVE EXPENSES		80,171
<hr/>			
3,805	<u>OPERATING PROFIT</u>	3	3,302
987	Interest Received		1,328
4,545	Interest Payable and similar charges	4	4,298
<hr/>			
	<u>Profit on Ordinary Activities before</u>		
247	<u>Taxation</u>		332
247	Tax on Profit on Ordinary Activities	6	332
<hr/>			
-	<u>RETAINED PROFIT/(LOSS) FOR THE YEAR</u>		-
<hr/>			
£ -	<u>RETAINED PROFIT/(LOSS) CARRIED FORWARD</u>		£ -
<hr/>			

None of the company's activities were acquired or discontinued during the current or previous year.
There were no recognised gains and losses for 1996 and 1995 other than those included in the profit and loss account.

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

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

BALANCE SHEET

1995		Note	1996
	<u>FIXED ASSETS</u>		
76,849	Tangible Assets	7	76,849
	<u>CURRENT ASSETS</u>		
463	Debtors	8	450
31,259	Cash at Bank and in hand		24,071
<u>31,722</u>			<u>24,521</u>
42,590	CREDITORS - Due within one year	9	38,769
<u>(10,868)</u>	<u>NET CURRENT LIABILITIES</u>		<u>(14,248)</u>
	<u>TOTAL ASSETS LESS CURRENT</u>		
65,981	<u>LIABILITIES</u>		62,601
65,981	CREDITORS - Due after one year	10	62,601
<u>£ -</u>			<u>£ -</u>
	<u>CAPITAL & RESERVES</u>		
<u>£ -</u>			<u>£ -</u>

The Directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985. The accounts were approved by the board on ~~12 August~~ 1996 and signed on its behalf.

J W Cheetham *J W Cheetham* Director

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

NOTES TO THE ACCOUNTS YEAR TO 23 JUNE 1996

1. ACCOUNTING POLICIES

a) ACCOUNTING CONVENTION

The Accounts are prepared under the historical cost convention.

b) DEPRECIATION

No depreciation has been provided on Freehold Property.

c) DEFERRED TAXATION

No provision is made for deferred taxation as a liability is not expected to arise in the foreseeable future.

d) LEASING

Rentals paid under operating leases are charged to income as incurred.

e) CASH FLOW STATEMENT

The Company has taken advantage of the exemption in Financial Reporting Standard 1 from producing a cash flow statement on the grounds that it is a small company.

2. TURNOVER

Turnover represents the actual expenses for the year recoverable from the leaseholders.

NOTES TO THE ACCOUNTS YEAR TO 23 JUNE 19963. OPERATING RESULT

	1996	1995
	£	£
Operating result is stated after charging:		
Staff Costs (Note 5)	11,322	11,054
Auditors' Remuneration	1,995	1,939
	<u>13,317</u>	<u>12,993</u>

4. INTEREST PAYABLE

On Loans repayable after five years:		
Loan Interest	4,298	4,545
	<u>4,298</u>	<u>4,545</u>

5. STAFF COSTS

Porter's Wages	10,575	10,239
Social Security Costs	747	815
	<u>11,322</u>	<u>11,054</u>

No. of Employees

The average weekly number of employees during the period comprised:

	1996	1995
Secretary	1	1
Porter	1	1
Total	<u>2</u>	<u>2</u>

6. TAXATION

UK Corporation Tax has been provided at 25% (1995 - 25%) on the assessable profit for the year.

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS YEAR TO 23 JUNE 1996

7. TANGIBLE ASSETS

	Freehold Property	Plant & Fixtures & Machinery	Fittings	Motor Vehicles	Total
<u>COST</u>					
Opening Cost	76,849	-	-	-	76,849
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing Cost	76,849	-	-	-	76,849
<u>DEPRECIATION</u>					
Depreciation b/f	-	-	-	-	-
Charge	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation c/f	-	-	-	-	-
<u>NET BOOK VALUE</u>					
23 June 1996	76,849	-	-	-	76,849
23 June 1995	76,849	-	-	-	76,849

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS YEAR TO 23 JUNE 1996

	1996	1995
8. <u>DEBTORS</u>		
Trade Debtors	300	313
Prepayments and Accrued Income	150	150
	<u>450</u>	<u>463</u>
9. <u>CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Trade Creditors	19,490	32,488
Bank Overdraft	11,457	5,745
Bank Loan (Secured)	7,490	4,110
Current Taxation	332	247
	<u>38,769</u>	<u>42,590</u>
10. <u>CREDITORS - AMOUNTS FALLING DUE AFTER</u> <u>MORE THAN ONE YEAR</u>		
Bank Loan (Secured)	29,466	39,482
Loans from subscribers	33,135	26,499
	<u>62,601</u>	<u>65,981</u>

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS YEAR TO 23 JUNE 1996

11. SHARE CAPITAL

The Company is limited by guarantee and all sixty seven leaseholders are members of the Company with a limited liability of £1 each in the event of a liquidation.

12. OTHER FINANCIAL COMMITMENTS

There were no significant capital commitments or contingent liabilities.

13. BANK LOANS

The Bank loans are secured by a charge over the Freehold Property at 2-14 Orsett Terrace.

The loans are repayable by monthly instalments of £265 and £654. One loan with an outstanding balance of £8,538 will be repaid in September 1999 and the other with a balance of £28,418 in March 2001. These dates are approximate and are dependent on movements in interest rates.

14. 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 is being serviced by contributions from the remaining leaseholders to cover both the interest and capital repayments. When the bank loan is repaid it is the Company's intention to extend the original 125 year leases to those with a term of 999 years.

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 has been included in the service charge to cover the repayments to the company's bankers for the loan made to finance the acquisition. The interest element of this charge has been treated as a reimbursement of loan interest and the balance i.e. the capital element as a loan from subscribers (see note 10).

2-14 ORSETT TERRACE MANAGEMENT COMPANY LIMITED

TRADING ACCOUNTYEAR TO 23 JUNE 1996

1995

1996

80,405 SERVICE CHARGE RECEIVABLE

83,473

987 Bank Deposit Interest1,328

81,392

84,801

ADMINISTRATIVE EXPENSES

10,239	Porter's Wages	10,575
815	Social Security Costs	747
98	Porter's Flat Rates	201
111	Porters Telephone	137
4,782	Light and Heat	5,724
23,707	Repairs and Maintenance	27,953
5,069	Lift Maintenance	2,809
631	Legal and Professional	791
6,688	Insurance	5,832
898	Cleaning & Janitorial Supplies	733
9,182	Security System Rental	9,449
16,350	Management Charges	16,906
367	Sundry Expenses	491
1,939	Auditors' Remuneration	1,995
4,545	Loan Interest	4,298
(4,545)	Loan Interest Recovered	(4,298)
269	Bank Charges & Interest	126

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