

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

Company No. 2231168

ACCOUNTS

for the year ended

31ST DECEMBER 1993

DEREK WEBSTER & CO.

136 BAKER STREET,

LONDON. W1M 2DU



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A17 RECEIPT DATE: 15/07/94

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

The directors present their report to the members, together with the annual accounts for the year ended 31st December 1993.

PRINCIPAL ACTIVITY :

The principal activity of the company is administration and management of flats and housing estates, including the management of maintenance and reserve funds.

DIRECTORS :

The directors of the company and their beneficial interests in shares of the company are set out below. There were no changes in the composition of the board of directors during the year.

	31.12.93	31.12.92
C.B. Tonkin	1,000	1,000
V.A. Tonkin	1,000	1,000

Each of the directors owns 47.5% of the issued share capital of the holding company and through a trust control the remaining 5%.

DIRECTORS' RESPONSIBILITIES :

Company law requires the directors to prepare accounts 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 accounts, the directors are required to :

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

AUDITORS :

A resolution to reappoint the auditors will be proposed at the Annual General Meeting.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

Registered Office :

Clinton House,
High Street,
Coleshill,
Birmingham.
B46 3BF

Approved by the board of directors on
30.6.94 and signed on their
behalf by :

.....
C.B. TONKIN, Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF
SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors :

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion :

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Date : 5th July 1994

Derek Webster & Co
DEREK WEBSTER & CO.
Chartered Accountants
& Registered Auditor,
136 Baker Street,
London. W1M 2DU

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1993

	Notes	1993 £	1992 £
TURNOVER		534,990	416,432
Administrative Expenses		(208,588)	(163,042)
Staff Costs	3	(280,319)	(204,135)
OPERATING PROFIT	2	46,083	49,255
Interest payable		(1,120)	(1,109)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		44,963	48,146
Tax on profit on ordinary activities	5	(10,734)	(13,150)
PROFIT FOR THE FINANCIAL YEAR on ordinary activities after Taxation		34,229	34,996
Goodwill written-off	10	-	(2,000)
RETAINED PROFIT carried forward		<u>£ 34,229</u>	<u>£ 32,996</u>

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses for 1993 and 1992 other than the profit and loss for the above two financial years.

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

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

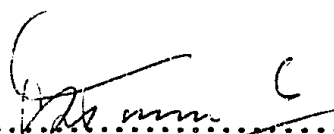
BALANCE SHEET

AS AT 31ST DECEMBER 1993

	Notes	----- 31.12.93 ----- £	----- 31.12.92 ----- £
FIXED ASSETS :			
Tangible Assets	6	25,644	18,120
CURRENT ASSETS :			
Debtors	7	73,981	44,987
Cash at bank and in hand		67,118	69,057
		<u>141,099</u>	<u>114,044</u>
CREDITORS :			
Amounts falling due within one year	8	76,120	87,168
NET CURRENT ASSETS		<u>64,979</u>	<u>26,876</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		90,623	44,996
CREDITORS :			
Due after more than one year:			
Hire Purchase		11,398	-
		<u>£79,225</u>	<u>£44,996</u>
CAPITAL AND RESERVES :			
Called Up Share Capital	9	12,000	12,000
Profit and Loss Account	14	67,225	32,996
		<u>£79,225</u>	<u>£44,996</u>

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Approved by the Board of Directors on 30.6.94
and signed on their behalf by :

.....  C.B. TONKIN Director

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

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1993

1. ACCOUNTING POLICIES :

Cash Flow Statement :

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Turnover :

Turnover represents fees invoiced excluding VAT.

Depreciation :

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life :

Computer Equipment	33 1/3% straight line
Fixtures, Fittings and Equipment	20% straight line
Motor Vehicles	25% straight line

Leased Assets :

Operating lease rentals are charged to profit and loss account as incurred.

Pensions :

The company has a defined contribution pension scheme for certain employees. The cost of the contributions made by the company to the scheme are charged to profit and loss account as incurred.

Taxation :

The charge for Corporation Tax is calculated on the profit on ordinary activities for the year. No provision for deferred taxation is considered necessary.

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1993

2. OPERATING PROFIT :

The operating profit is stated after charging :	1993 £	1992 £
Depreciation on tangible fixed assets	16,194	14,089
(Profit) on disposal of Motor Vehicle	(5,030)	-
Operating lease charges : Equipment	7,252	3,697
Land & buildings	37,500	9,375
Staff Costs (Note 3)	280,319	204,135
Auditors' Remuneration	<u>2,000</u>	<u>2,000</u>

3. PARTICULARS OF STAFF AND PENSIONS :

Staff costs, including directors remuneration (Note 4), were as follows :

	1993 £	1992 £
Wages and Salaries	248,970	177,202
Social Security costs	25,221	21,358
Other Pension costs	<u>6,128</u>	<u>5,575</u>
	<u>£280,319</u>	<u>£204,135</u>

4. DIRECTORS EMOLUMENTS :

Emoluments for services as directors :	1993 £	1992 £
Chairman	28,000	27,000
Other Director	<u>22,527</u>	<u>21,322</u>
	<u>£ 50,527</u>	<u>£ 48,322</u>

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1993

5. TAX ON PROFIT ON ORDINARY ACTIVITIES :	1993 £	1992 £
Corporation Tax at 25%	10,750	13,150
(Over)provision in previous year	(16)	-
	<u>£ 10,734</u>	<u>£ 13,150</u>

6. TANGIBLE FIXED ASSETS :	Computer Equipment £	Office Furniture & Equipment £	Motor Vehicles £	Total £
Cost :				
At 01.01.93	38,009	21,335	25,720	85,064
Disposal	-	-	(15,837)	(15,837)
Additions	2,331	2,857	21,500	26,688
At 31.12.93	<u>40,340</u>	<u>24,192</u>	<u>31,383</u>	<u>95,915</u>
Depreciation :				
At 01.01.93	31,644	12,550	22,750	66,944
Disposal	-	-	(12,867)	(12,867)
Charge for year	6,717	4,102	5,375	16,194
At 31.12.93	<u>38,361</u>	<u>16,652</u>	<u>15,258</u>	<u>70,271</u>
Net Book Value :				
At 31.12.93	<u>£ 1,979</u>	<u>£ 7,540</u>	<u>£16,125</u>	<u>£25,644</u>
At 31.12.92	<u>£ 6,365</u>	<u>£ 8,785</u>	<u>£ 2,970</u>	<u>£18,120</u>

The motor vehicle retained is secured under a lease purchase contract.

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1993

7. DEBTORS :	1993 £	1992 £
Trade Debtors	13,401	32,372
Other Debtors and Prepayments	23,519	12,615
Amount due from Holding Company (Note 11)	37,061	-
	<u>£73,981</u>	<u>£44,987</u>
8. CREDITORS :		
Amounts falling due within one year :	1993 £	1992 £
Amount due to Holding Company (Note 11)	-	12,565
Other Taxes and Social Security	34,635	24,027
Other Creditors	10	11,000
Lease Purchase Creditor	5,946	-
Director's Current Account	1,332	10,757
Corporation Tax (Note 5)	15,884	13,150
Accruals	18,313	15,669
	<u>£76,120</u>	<u>£87,168</u>
9. CALLED UP SHARE CAPITAL :	Ordinary £1 Shares	
	1993	1992
Authorised	<u>£20,000</u>	<u>£20,000</u>
Allotted, called up and fully paid	<u>£12,000</u>	<u>£12,000</u>

10. GOODWILL :

The goodwill written-off in 1992 represented the excess of purchase consideration over net assets acquired arising on the acquisition of Messrs. Tonkin & Tonkin on 1st January 1992 from Mr. C.B. and Mrs. V.A. Tonkin.

SOLITAIRE PROPERTY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1993

11. HOLDING COMPANY :

The holding company is Holding and Management (Solitaire) Limited incorporated in England number 1649347.

12. FUNDS HELD FOR TENANTS :

The company acts as trustee for sums representing maintenance funds belonging to tenants. In the opinion of the directors these are not part of the groups assets and have been excluded from these accounts.

13. COMMITMENTS :

The company has given an unlimited guarantee to its bank dated 12th November 1992 in favour of the holding company.

Commitments under Operating Leases :	Land and Buildings	Other
Expiring within one year	-	-
Expiring in the second to fifth years inclusive	-	7,252
Expiring in five years or more	37,500	-
	<u>£37,500</u>	<u>£ 7,252</u>

14. MOVEMENTS ON SHAREHOLDERS FUNDS :	Profit & Loss A/c £	Share Capital £	Total £
Balance at 1.1.93	32,996	12,000	44,996
Profit for the year	34,229	-	34,229
Balance at 31.12.93	<u>£67,225</u>	<u>£12,000</u>	<u>£79,225</u>