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Chantrey Vellacott DFK

**COLEHERNE COURT FREEHOLD
LIMITED**

**Financial Statements
25 December 2001**



COLEHERNE COURT FREEHOLD LIMITED

Financial statements for the year ended 25 December 2001

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COLEHERNE COURT FREEHOLD LIMITED

Company information

Directors

Mrs I G Alexander
J D Beiny
M J Black
Mrs A D Clyne
P G Corbett CBE
T S Corcoran
C W Freyer
Mrs J K Kay
Dr I S Miller
Mrs S M Peers OBE

Secretary

T S Corcoran

Registered office

The Estate Office
Block K
Coleherne Court
The Little Boltons
London
SW5 0DL

Registered number

3054658

Auditors

Chantrey Vellacott DFK
Gresham House
53 Clarendon Road
Watford
Herts
WD17 1LR

COLEHERNE COURT FREEHOLD LIMITED

Directors' report for the year ended 25 December 2001

The directors present their report and the financial statements of the company for the year ended 25 December 2001.

Principal activities

The principal activity of the company is that of acting as freeholder of Coleherne Court.

Business review

The results for the year and the financial position of the company are shown in the annexed financial statements.

The directors resolved to waive the ground rents due from members of the company for the year ended 25 December 2001.

No dividend will be distributed for the year ended 25 December 2001 (2000 -£Nil)

Directors

The directors who served during the year were:

Mrs I G Alexander
J D Beiny
M J Black
Mrs A D Clyne
P G Corbett CBE
T S Corcoran
C W Freyer
Mrs J K Kay
Dr I S Miller (Appointed 19 December 2001)
Mrs S M Peers OBE

Directors' interests in shares

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	25 Dec 2001	26 Dec 2000*
Mrs I G Alexander	1	1
J D Beiny	1	1
M J Black	1	1
Mrs A D Clyne	1	1
P G Corbett CBE	1	1
T S Corcoran	1	1
C W Freyer	1	1
Mrs J K Kay	1	1
Dr I S Miller	1	1
Mrs S M Peers OBE	1	1

* or date of appointment

None of the directors had any interest in the 'A' shares of the company.

COLEHERNE COURT FREEHOLD LIMITED

Directors' report for the year ended 25 December 2001

Auditors

The previous auditors, Grant Thornton, resigned during the year and Chantrey Vellacott DFK were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution to reappoint Chantrey Vellacott DFK will be proposed at the forthcoming 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.

Signed on behalf of the Board



T S CORCORAN
Company secretary

Approved by the Board on 17 April 2002

COLEHERNE COURT FREEHOLD LIMITED

Independent auditors' report to the shareholders of Coleherne Court Freehold Limited

We have audited the financial statements of Coleherne Court Freehold Limited for the year ended 25 December 2001 which are set out on pages 5 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of 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 misstatement within it.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the United Kingdom 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 25 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT DFK

Chartered Accountants
Registered Auditors

WATFORD

18 April 2002

Chantrey Vellacott DFK

COLEHERNE COURT FREEHOLD LIMITED

Profit and loss account for the year ended 25 December 2001

	Notes	2001 £	2000 £
Turnover	2	2,873	3,391
Administrative expenses		6,843	7,330
Other operating income		(10,308)	(9,254)
Net operating income		3,465	1,924
Operating profit		6,338	5,315
Interest receivable and similar income	3	1,325	1,370
Profit on ordinary activities before taxation	4	7,663	6,685
Tax on profit on ordinary activities	6	420	(3,061)
Profit for the year	11	7,243	9,746

The notes on pages 7 to 10 form part of these financial statements.

COLEHERNE COURT FREEHOLD LIMITED

Balance sheet at 25 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	7	37,798	41,000
Investments	8	2	2
		<u>37,800</u>	<u>41,002</u>
Current assets			
Cash at bank and in hand		77,686	56,931
Creditors: amounts falling due within one year	9	<u>(26,244)</u>	<u>(15,937)</u>
Net current assets		<u>51,442</u>	<u>40,994</u>
Total assets less current liabilities		<u>89,242</u>	<u>81,996</u>
Capital and reserves			
Called up share capital	10	199	196
Profit and loss account	11	<u>89,043</u>	<u>81,800</u>
Shareholders' funds	12	<u>89,242</u>	<u>81,996</u>

Approved by the Board on 17 April 2002 and signed on its behalf.

M J BLACK - Director

P G CORBETT CBE - Director

The notes on pages 7 to 10 form part of these financial statements.

COLEHERNE COURT FREEHOLD LIMITED**Notes to the financial statements for the year ended 25 December 2001****1 Accounting policies****a) Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting.

b) Group accounts

The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

c) Depreciation of tangible fixed assets

Depreciation is not charged on freehold land nor on expenditure on assets not yet in use.

d) Investments

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

e) Ground rents capitalisation

Ground rents receivable have been capitalised using a 7% yield.

2 Turnover

Turnover represents gross ground rents receivable.

3 Interest receivable and similar income	2001	2000
	£	£
Bank interest	<u>1,325</u>	<u>1,370</u>
4 Profit on ordinary activities before taxation	2001	2000
	£	£
This is stated after charging:		
Depreciation	901	-
Auditors' remuneration	<u>3,316</u>	<u>2,662</u>

5 Directors emoluments

The only employees of the company are the directors, none of whom were remunerated for their services (2000 - £Nil).

6 Tax on profit on ordinary activities	2001	2000
	£	£
United Kingdom corporation tax based on the profit for the year at 10% (2000 - 20% / 10%)	420	594
Adjustment in respect of previous years	-	(3,655)
	<u>420</u>	<u>(3,061)</u>

COLEHERNE COURT FREEHOLD LIMITED

Notes to the financial statements for the year ended 25 December 2001 (continued)

7 Tangible fixed assets	Freehold ground rents	
	2001	2000
	£	£
Cost or valuation:		
At 26 December 2000	41,000	45,000
Capitalised ground rent reduction	(2,301)	(4,000)
Amortisation	(901)	-
	<hr/>	<hr/>
At 25 December 2001	37,798	41,000
	<hr/>	<hr/>

The company originally purchased during 1995 the remaining term of a 65 year head lease which was granted over the Coleherne Court Estate in 1972. During the year ended 25 December 1996, the original head lease was surrendered and a new long head lease was granted by the freeholder with under leases for matching periods being granted to those who wished to participate.

During the year ended 25 December 1997, the company had the opportunity to purchase the freehold of the estate and did so at a cost of £173,445, merging the head lease interests already held which were then extinguished, subject to the long under leases previously granted.

All costs in connection with the above, including professional fees were met from non-interest bearing loans previously advanced.

All such costs which had been capitalised at £406,488 at 25 December 1996, with accumulated depreciation of £2,364 together with further expenditure of £173,445 in the year to 25 December 1997 were reduced, through an exceptional charge to the profit and loss account in the year ended 25 December 1997, to the capitalised value of ground rents receivable adopting a 7% yield. This was calculated at £45,000.

During the year ended 25 December 2001 three occupational lessees (2000 - two) each paid a sum of money so that their ground rent obligations in the future would be treated in a similar manner to those who were original subscribers to the company. The calculated value of these ground rents has been deducted from the balance at 25 December 2001 together with a reduction to recognise amortisation of the remaining ground rents collectable.

COLEHERNE COURT FREEHOLD LIMITED

Notes to the financial statements for the year ended 25 December 2001 (continued)

8 Investments

Shares in
group
undertakings
£

Cost :

At 26 December 2000 and 25 December 2001

2

In the opinion of the directors, the aggregate value of the company's interests in its subsidiary undertakings, including amounts owing, is not less than the values stated in the balance sheet at 25 December 2001.

The company's investment consists of the whole of the issued share capital of an unlisted company, Coleherne Court Shops Limited.

The subsidiary was formed so as to separate the company's residential and commercial interests in Coleherne Court.

9 Creditors: amounts falling due within one year

2001
£

2000
£

Taxation

420

594

Other creditors

25,824

15,343

26,244

15,937

Other creditors include £5,052 (2000 - £2,888) due to Coleherne Court Maintenance Fund in respect of an apportionment of lease assignment fees for 2000 and 2001.

10 Called up share capital

2001
£

2000
£

Authorised

Equity shares:

500 Ordinary shares of £ 1 each

500

500

500 'A' share of £ 1 each

500

500

1,000

1,000

Allotted, called up and fully paid

Equity shares:

198 (2000 - 195) Ordinary shares of £ 1 each

198

195

1 'A' share of £ 1 each

1

1

199

196

COLEHERNE COURT FREEHOLD LIMITED

Notes to the financial statements for the year ended 25 December 2001 (continued)

11 Reserves	Profit and loss account £
At 26 December 2000	81,800
Profit retained for the year	<u>7,243</u>
At 25 December 2001	<u>89,043</u>

12 Reconciliation of movement on shareholders' funds	2001 £	2000 £
Profit for the financial year	7,243	9,746
Proceeds from issue of shares	<u>3</u>	<u>2</u>
Net addition to shareholders' funds	7,246	9,748
Opening shareholders' funds	<u>81,996</u>	<u>72,248</u>
Closing shareholders' funds	<u>89,242</u>	<u>81,996</u>

Shareholders' funds are fully attributable to equity interests.