

**COLEHERNE COURT
FREEHOLD LIMITED**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
25 DECEMBER 1999



Company No. 3054658

COLEHERNE COURT FREEHOLD LIMITED

FINANCIAL STATEMENTS

For the year ended 25 DECEMBER 1999

Company registration number: 3054658

Registered office: The Estate Office
Block K
Coleherne Court
The Little Boltons
London
SW5 ODL

Directors: Mrs I G Alexander
J D Beiny
M J Black
Mrs A D Clyne
P G Corbett CBE
Dr C Dow
C W Freyer
Mrs S M Peers OBE

Secretary: M J Black

Auditors: Grant Thornton
Grant Thornton House
Melton Street
Euston Square
LONDON
NW1 2EP

COLEHERNE COURT FREEHOLD LIMITED

FINANCIAL STATEMENTS

For the year ended 25 DECEMBER 1999

INDEX	PAGE
Report of the directors	1-2
Report of the auditors	3
Accounting policies	4
Profit and loss account	5
<i>Balance sheet</i>	6
Notes to the financial statements	7 - 11

COLEHERNE COURT FREEHOLD LIMITED

REPORT OF THE DIRECTORS

The directors present their report, together with the financial statements for the year ended 25 December 1999.

Principal activity

The principal activity of the company in the year under review was that of acting as freeholder of Coleherne Court.

Business review

The surplus for the year before tax was £24,327 (1998: £1,454).

The directors do not recommend a payment of a dividend for the year. It is proposed that the surplus after tax of £19,827 (1998: £551) is transferred to reserves.

Directors

The directors of the company are listed below.

Mrs I G Alexander
J D Beiny
M J Black
Mrs A D Clyne (appointed 19 January 1999)
P G Corbett CBE
Dr C Dow
C W Freyer
J H Harris (resigned 9 April 1999)
B C Peers (resigned 11 June 1999)
Mrs S M Peers OBE

The beneficial interests of the directors holding office on 25 December 1999 (or at the date of appointment to the Board if later) and 26 December 1998 in the issued share capital of the company were as follows:

	Ordinary shares of £1	
	25 December 1999	26 December 1998
Mrs I G Alexander	1	1
J D Beiny	1	1
M J Black	1	1
Mrs A D Clyne (appointed 19 January 1999)	1	1
P G Corbett CBE	1	1
Dr C Dow	1	1
C W Freyer	1	1
J H Harris (resigned 9 April 1999)	-	1
Mrs S M Peers OBE	1	1

COLEHERNE COURT FREEHOLD LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company exemption

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

ON BEHALF OF THE BOARD



M J Black
Secretary
19 April 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF
COLEHERNE COURT FREEHOLD LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements in accordance with United Kingdom law and accounting standards. It is our responsibility to form an independent opinion based on our audit on those financial statements and to report our opinion to you.

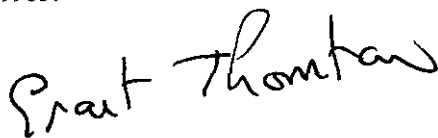
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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 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 at 25 December 1999 and, of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

**LONDON
19 APRIL 2000**

COLEHERNE COURT FREEHOLD LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies have remained unchanged from the previous year.

The company is exempt from preparing consolidated financial statements on the grounds that, taken together, with its subsidiary it qualifies as a small group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

TURNOVER

Turnover represents gross ground rents receivable.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- Over the life of the lease
Freehold property	- Nil

DEFERRED TAXATION

Deferred tax is provided for 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 advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

CONSOLIDATION

The company has taken advantage of section 248 Companies Act 1986 not to prepare group consolidated accounts and the details are therefore applicable to the company alone.

GROUND RENTS CAPITALISATION

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

COLEHERNE COURT FREEHOLD LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 25 DECEMBER 1999

	Note	1999 £	1998 £
Turnover	1	3,492	3,375
Administrative expenses		<u>(5,649)</u>	<u>(4,951)</u>
		(2,157)	(1,576)
Other operating income	2	<u>25,803</u>	<u>2,088</u>
Operating surplus	3	23,646	512
Interest receivable and similar income	4	<u>681</u>	<u>942</u>
Surplus on ordinary activities before taxation		24,327	1,454
<i>Tax on surplus on ordinary activities</i>	5	<u>(4,500)</u>	<u>(903)</u>
Surplus for the financial year after taxation	11	<u><u>19,827</u></u>	<u><u>551</u></u>

All transactions arise from continuing operations.

All recognised gains and losses are included in the profit and loss account.

The accompanying accounting policies and notes form an integral part of these financial statements.

COLEHERNE COURT FREEHOLD LIMITED

BALANCE SHEET AT 25 DECEMBER 1999

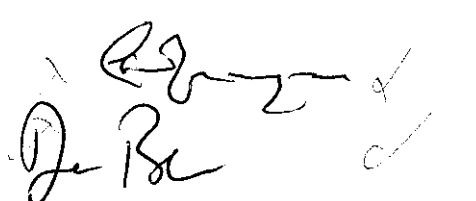
	Note	25 December 1999		25 December 1998	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	6		45,000		45,000
Investments	7		<u>2</u>		<u>2</u>
			45,002		45,002
Current assets					
Debtors	8	201		150	
Cash at bank and in hand		<u>51,444</u>		<u>18,952</u>	
		51,645		19,102	
Creditors: amounts falling due within one year	9	<u>(24,399)</u>		<u>(11,683)</u>	
Net current assets			<u>27,246</u>		<u>7,419</u>
Total assets less current liabilities			<u>72,248</u>		<u>52,421</u>
Capital and reserves					
Called up share capital	10		194		194
Profit and loss account	11		<u>72,054</u>		<u>52,227</u>
Shareholders' funds	12		<u>72,248</u>		<u>52,421</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 March 2000).

The financial statements were approved by the Board of Directors on 19 April 2000 and were signed on its behalf by:

C W Freyer

J D Beiny


) Directors

The accompanying accounting policies and notes form an integral part of these financial statements.

COLEHERNE COURT FREEHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 25 DECEMBER 1999

1 TURNOVER

The turnover and surplus before taxation are attributable to the one principal activity of the company.

2 OTHER OPERATING INCOME

	1999 £	1998 £
Lease premium received	17,400	-
Fighting fund released	4,440	-
Fees	<u>3,963</u>	<u>2,088</u>
	<u>25,803</u>	<u>2,088</u>

3 OPERATING SURPLUS

The operating surplus is stated after charging:

	1999 £	1997 £
Auditors' remuneration	<u>2,656</u>	<u>2,474</u>
Directors' emoluments and other benefits	<u>-</u>	<u>-</u>

The only employees of the company are the directors none of whom were remunerated for their services.

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 £	1998 £
Interest receivable	<u>681</u>	<u>942</u>

COLEHERNE COURT FREEHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 25 DECEMBER 1999

5 TAXATION

The tax charge on the surplus on ordinary activities for the year was as follows:

	1999 £	1998 £
UK Corporation Tax - 20% (1998: 21%)	4,500	907
Tax (over)/under provided in previous years	-	(4)
	<u>4,500</u>	<u>903</u>

6 TANGIBLE FIXED ASSETS

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 profit and loss in the year ended 25 December 1997, to the capitalised value of ground rents receivable adopting a 7% yield. This has been calculated at £45,000.

COLEHERNE COURT FREEHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 25 DECEMBER 1999

7 FIXED ASSET INVESTMENTS

	25 December 1999 £
COST	
At 26 December 1998	<u>2</u>
At 25 December 1999	<u>2</u>
NET BOOK VALUE	
At 25 December 1999	<u><u>2</u></u>
	25 December 1999 £
	25 December 1998 £
Unlisted investments	<u><u>2</u></u>
	<u><u>2</u></u>

The company's investments consist of the whole of the issued share capital of an unlisted company, Coleherne Court Shops Limited. The company has not traded since incorporation other than to acquire without cost the reversionary interest in Block D's shop premises at Coleherne Court.

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

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Trade debtors	-	150
Prepayments and accrued income	<u>201</u>	<u>-</u>
	<u><u>201</u></u>	<u><u>150</u></u>

COLEHERNE COURT FREEHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 25 DECEMBER 1999

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Other creditors	17,188	8,426
Taxation	4,500	907
Accrued expenses and deferred income	<u>2,711</u>	<u>2,350</u>
	<u>24,399</u>	<u>11,683</u>

Other creditors include £3,938 (1998: £2,062) due to Coleherne Court Maintenance Fund in respect of an apportionment of lease assignment fees.

10 CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised share capital		
500 Ordinary shares of £1 each	500	500
500 'A' shares of £1 each	<u>500</u>	<u>500</u>
	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
193 Ordinary shares of £1 each	193	193
1 'A' share of £1 each	<u>1</u>	<u>1</u>
	<u>194</u>	<u>194</u>

11 RESERVES

	Profit and loss account	
	1999 £	1998 £
Balance at 26 December 1998	52,227	51,676
Retained for the year	<u>19,827</u>	<u>551</u>
Retained profits at 25 December 1999	<u>72,054</u>	<u>52,227</u>

COLEHERNE COURT FREEHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 25 DECEMBER 1999

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Surplus for the financial year/period	19,827	551
Opening shareholders' funds	<u>52,421</u>	<u>51,870</u>
Closing shareholders' funds	<u><u>72,248</u></u>	<u><u>52,421</u></u>