

**Registered number**  
**3313083**

**PRESCOT MANAGEMENT COMPANY LIMITED**  
**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**WEDNESDAY**



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# **PRESCOT MANAGEMENT COMPANY LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

John Mark Bolland  
Leonard John Stitson Queripel  
Dr David Boardman Southern  
Michael David Kenneth Willoughby Foot  
Gerry Christopher Lawrence  
Alan Charles Nicholls  
Stephen Francis Proffitt

### **Secretary**

Crabtree Property Management Limited

### **Auditor**

Spofforths LLP  
One Jubilee Street  
Brighton  
East Sussex  
BN1 1GE

### **Registered office**

Marlborough House,  
298 Regents Park Road  
London  
N3 2UU

### **Registered number**

3313083

# **PRESCOT MANAGEMENT COMPANY LIMITED**

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# **PRESCOT MANAGEMENT COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2009**

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The directors present their report and financial statements for the year ended 31 December 2009

#### **Principal activities**

The company is a non-profit making organisation concerned with the management, care and maintenance of the property known as Number One Prescott Street, London E1

The service charge contributions paid by the lessees towards the company's costs are held in trust for the lessee's benefits in accordance with Section 42 of the Landlord and Tenant Act 1985. The company has no beneficial interest in these funds and consequently they have been excluded from these financial statements, the details of which are set out in the service charge accounts in note 4

#### **Gift and the LVT**

During 2009, a number of leaseholders gifted money to PMCL totaling £7,501. After the LVT ruling in March 2010, PMCL paid the sum of £4,787 (the amount of "unreasonable expenditure" identified by the LVT) to the Managing Agent. This money is to be used by the Managing Agent to finance a rebate for any leaseholder who is not willing to waive their claim to a share of the £4,787.

#### **Directors**

The directors who served during the year were as follows.

John Mark Bolland  
Leonard John Stitson Queripel  
Dr David Boardman Southern  
Michael David Kenneth Willoughby Foot  
Gerry Christopher Lawrence  
Alan Charles Nicholls  
Stephen Francis Proffitt

#### **Disclosure of information to the auditor**

So far as each director at the date of approval of this report is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

#### **Directors' responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 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, and
- 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 maintaining 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 2006. 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

**PRESCOT MANAGEMENT COMPANY LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

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**Small company special provisions**

The report of the directors has been prepared taking advantage of the small companies exemption in Section 415A of the Companies Act 2006

This report was approved by the board on 14 June 2010 and signed on their behalf by



Director

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**

### **PRESCOT MANAGEMENT COMPANY LIMITED**

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We have audited the financial statements of Prescott Management Company Limited for the year ended 31 December 2009 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes on pages 5 to 10

The financial reporting framework that has been applied in their presentation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Matters on which we are required to report on by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of directors' remuneration specified by law are not made, or

the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

#### **Opinion on the financial statements**

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,

have been prepared in accordance with the requirements of the Companies Act 2006,

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**

### **PRESCOT MANAGEMENT COMPANY LIMITED**

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#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Alison Jones FCA, Senior Statutory Auditor  
For and on behalf of Spofforths LLP, Statutory Auditor  
Chartered Accountants  
One Jubilee Street  
Brighton  
East Sussex  
BN1 1GE**

**PRESCOT MANAGEMENT COMPANY LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

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	<b>2009</b>	<i>2008</i>
	<b>£</b>	<b>£</b>
<b>Income</b>	<b>7,501</b>	-
<b>Expenditure</b>	<b>(4,787)</b>	-
<b>Retained surplus</b>	<u><b>2,714</b></u>	<u>-</u>



# PRESCOT MANAGEMENT COMPANY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2009

Registered number 3313083

	2009 £	2008 £
<b>Current assets</b>		
Bank account	<u>7,501</u>	<u>-</u>
<b>Current liabilities</b>		
Other creditors	<u>4,787</u>	<u>-</u>
<b>Net assets</b>	<u>2,714</u>	<u>-</u>
<b>Reserve fund</b>		
<b>Income and expenditure account</b>	<u>2,714</u>	<u>-</u>

Any assets not shown above are held in trust for the tenants of Number One Prescott Street, London E1 and the company has no beneficial interest in them

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008)

The financial statements were approved by the board and authorised for issue on 14 June 2010 and signed on behalf of the board by



Director

# **PRESCOT MANAGEMENT COMPANY LIMITED**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2009**

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#### **1 Principal accounting policies**

##### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company has income and expenditure and assets and liabilities relating to the activities held in trust for the lessee's benefits in accordance with section 42 of the Landlord and Tenant Act 1985 for Number One Prescott Street

#### **2 Share capital**

The company has no share capital and is limited by guarantee, with each member being a guarantor in the sum of £1

#### **3 Ultimate control**

Ultimate control of the company is held jointly by the flat owners. The directors of the company are also the leaseholders, and any dealings with the company are on the same terms as the other leaseholders

# PRESCOT MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2009

#### 4 SERVICE CHARGE ACCOUNT

Details of the service charge accounts are set out in this note as information for shareholders. All the transactions included in this account are carried out by the company as trustee.

##### 4.1 Income and expenditure account

	2009	2008
	£	£
<b>INCOME</b>		
Service charges demanded	467,968	463,375
Reserve fund demanded	15,012	-
Adjustments to previous service charges demanded	(6,288)	-
Bank interest receivable (net of tax)	73	-
	<u>476,765</u>	<u>463,375</u>
<b>EXPENDITURE</b>		
<b>Group A - Apartments &amp; Commercial Premises</b>		
15% of Estate expenditure (note 4.4.4)	42,247	42,208
Insurance	79,806	83,776
Water/sewerage	12,803	19,818
Window cleaning (external)	7,039	5,835
Fire detection system	5,511	4,827
General repairs (external)	10,048	4,668
Pest control	5,678	-
Contribution to reserve fund	10,012	25,000
Interest transferred to reserve fund	19	-
	<u>173,163</u>	<u>186,131</u>
<b>Group B - Apartments only</b>		
80% of Estate expenditure (note 4.4.4)	225,319	225,112
Electricity	40,929	25,971
Cleaning and refuse	32,944	30,382
Entry phone & security system	17,697	19,971
Gardening and flowers (reception)	7,602	3,711
Lift repairs and maintenance	9,686	18,083
Health and safety	1,955	-
Air con, extractor fan and maintenance	8,163	8,506
Lighting supplies	4,899	4,370
Internal repairs and maintenance	12,464	4,946
Contribution to reserve fund	5,000	5,000
Interest transferred to reserve fund	37	-
	<u>366,695</u>	<u>346,052</u>
<b>Group C - Car parking spaces</b>		
5% of Estate expenditure (note 4.4.4)	14,083	14,070
Electricity	-	1,500
Gate automation system	337	-
Cleaning and refuse	2,010	1,145
Fire protection	1,819	1,611
General repairs	588	156
Lighting supplies	633	1,210
	<u>19,470</u>	<u>19,692</u>
	<u>(559,328)</u>	<u>(551,875)</u>
	<u>(82,563)</u>	<u>374,875</u>

# PRESCOT MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2009

#### 4.2 Balance sheet

		2009		2008
	£	£	£	£
<b>Service charge fund</b>				
<b>Current assets</b>				
Amounts due from lessees	82,420		173,588	
2008 deficit due from lessees	88,500		88,500	
2009 deficit from lessees	82,563		-	
Prepayments	83,199		16,281	
Other debtors	5,228		-	
Bank current account	66,465		51,649	
Bank reserve account	<u>167,850</u>	<u>576,225</u>	<u>-</u>	<u>330,018</u>
<b>Current liabilities</b>				
Creditors	36,358		33,443	
Amounts due to leaseholders	159,577		-	
Accruals	85,856		46,751	
Service charges received in advance	66,086		33,709	
Income tax payable	<u>2,593</u>	<u>350,470</u>	<u>1,115</u>	<u>115,018</u>
<b>Net assets</b>		<u><u>225,755</u></u>		<u><u>215,000</u></u>
<b>Reserve fund</b>				
Group A Expenditure		90,718		85,000
Group B Expenditure		135,037		130,000
		<u><u>225,755</u></u>		<u><u>215,000</u></u>

#### 4.3 Notes to the Service Charge accounts

##### 4.3.1 Principal accounting policies

###### **Basis of accounting**

The accounts have been prepared under the historical cost convention

###### **Reserve fund**

Under the terms of the lease, a provision can be made for future service charges or improvement works as considered necessary

##### 4.3.2 Taxation

The income from the investment of service charge monies is regarded as discretionary trust income, and income tax is therefore payable depending upon the level of income received

# PRESCOT MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2009

#### 4.3.3 Summary of expenditure

	2009 £	2008 £
As required by S21(5)(c) of the Landlord and tenant Act 1985 the amount in respect of which demands were received and payments made during the year was	<u>587,140</u>	<u>546,954</u>

#### 4.3.4 Estate expenditure

	2009 £	2008 £
<b>Head concierges flat expenditure</b>		
Repairs and maintenance	-	-
Council tax	-	800
Telephone	-	84
	-	884
<b>Salaries, wages &amp; management costs</b>		
Staff salaries - security & facilities manager	124,567	133,173
Independent auditor's fee	16,948	4,163
Legal and professional fees	101,448	105,294
Company secretarial fees	890	3,914
Management fees	37,260	36,704
Estate office expenses	3,381	1,710
Sundries & staff uniforms	255	417
Telephone	2,970	687
	<u>287,719</u>	<u>286,946</u>
Less		
Tenants interest received (net of tax)	(5,910)	(2,968)
Bank interest received (net of tax)	(160)	(2,588)
	<u>281,649</u>	<u>281,390</u>

#### 4.3.5 Reserve fund

	Group A Expenditure £	Group B Expenditure £	2009 Total £
Balance at 1 January	85,000	130,000	215,000
Satellite installation	(4,313)	-	(4,313)
Contribution to reserves	10,012	5,000	15,012
Interest to reserve fund	19	37	56
<b>Balance at 31 December</b>	<u>90,718</u>	<u>135,037</u>	<u>225,755</u>

#### 4.3.6 Recovery of service charges and legal costs

The directors negotiated and received in 2009 the recovery of £159,576 from the sale of the flat of a defaulting tenant, in respect of legal costs previously incurred and is net of arrears. The cash is part of the assets forming part of the Reserve fund.