

LEIGHWOOD HOUSE MANAGEMENT LIMITED

ANNUAL REPORT

for the year ended 29 September 1996

Registered No: 756506

JANET ESSEX
Chartered Accountant
Saville Court
11 Saville Place
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LEIGHWOOD HOUSE MANAGEMENT LIMITED

Financial Statements for the year ended 29 September 1996

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Report of the directors
for the year ended 29 September 1996

1 The directors present their report and the audited financial statements for the year ended 29 September 1996.

Principal activities

2 The profit and loss account for the year is set out on page 4. The principal activity of the company is the management of two blocks of flats situated in Church Road, Leigh Woods, Bristol known as Leighwood House.

Review of business and future developments

3 Both the level of business and the year end financial position were satisfactory. The directors do not expect any future developments in the activity of the company.

Dividends

4 The directors are unable to recommend payment of a dividend in respect of the year ended 29 September 1996.

Directors

5 The directors of the company at 29 September 1996, all of whom have been directors for the whole of the year ended on that date, except where stated, were:-

KS Ayres	
LI Foster	
ACW Hogg	
G Jater	(appointed 17 January 1996)
D McNeill	
DH Parker	
JL Grier	(resigned 30 May 1996)
RG Howe	(resigned 11 January 1996)
JB Westlake	(resigned 22 February 1996)
N Aspin	(appointed 17 January and resigned 11 September 1996)

Directors' interests in shares of the company

6 The interests of the directors of the company at 29 September 1996 in the shares of the company, according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows:

	<u>Ordinary shares of £1 each</u>	
	<u>1996</u>	<u>1995</u>
KS Ayres	1	1
JL Grier	-	1
ACW Hogg	1	1
RG Howe	-	1
G Jater	1	-
JB Westlake	-	1
LI Foster	1	1
D McNeill	1	1
DH Parker	1	1
	<u>6</u>	<u>8</u>

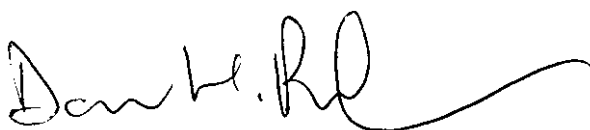
Directors' responsibilities

7 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.

BY ORDER OF THE BOARD



.....
DH PARKER
Director

I 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 for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 September 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Janet Grex
.....

Janet Essex

Chartered Accountant and Registered Auditor

BRISTOL, 2 January 1997

Profit and loss account
for the year ended 29 September 1996

	Notes	1996 £	1995 £
Turnover	2	48,224	32,448
Administrative expenses		48,440	32,573
Operating loss	3	(216)	(125)
Interest receivable		280	166
Profit on ordinary activities before taxation		64	41
Tax on profit on ordinary activities	5	(64)	(41)
Profit for the financial year		-	-

There were no recognised gains or losses other than those included in the profit and loss account.

STATEMENT OF RETAINED PROFITS

Retained profits at 30 September 1995	-	-
Profit for the financial year	-	-
Retained profits at 29 September 1996	-	-

LEIGHWOOD HOUSE MANAGEMENT LIMITED

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Balance sheet - 29 September 1996

	Notes	1996 £	£	1995 £	£
FIXED ASSETS					
Tangible assets	6		452		565
CURRENT ASSETS					
Debtors	7	1,449		931	
Cash at bank and in hand		7,585		7,514	
		<u>9,034</u>		<u>8,445</u>	
CREDITORS: amounts falling due within one year	8	<u>(9,462)</u>		<u>(8,986)</u>	
NET CURRENT LIABILITIES			(428)		(541)
Total assets less current liabilities			<u>24</u>		<u>24</u>
CAPITAL AND RESERVES					
Called up share capital	9		24		24
Profit and loss account			-		-
Shareholders' funds	10		<u>24</u>		<u>24</u>

Approved by the board on 12 December 1996



.....
G JATER
Director

Notes to the financial statements - 29 September 19961 Principal accounting policies(a) Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

(b) Fixed assets

Fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:-

	%
Plant and equipment	20

(c) Turnover

Turnover, which excludes value added tax, represents contributions from lessees to meet maintenance expenditure.

(d) Taxation

The charge for taxation is based on the interest receivable for the year. Apart from this, no taxation has been included on the basis that the company's income is provided by the members to meet expenditure incurred for their benefit.

2 Turnover

All turnover arose in the United Kingdom.

Notes to the financial statements - 29 September 1996 - continued

3	<u>Operating loss</u>	1996 £	1995 £
	Operating loss is stated after charging:-		
	Directors' emoluments	-	-
	Auditors' remuneration	646	646
	Depreciation of tangible fixed assets	113	142
		<u> </u>	<u> </u>

4 Employee information

The company has no employees other than the non-executive directors listed in the Directors' report. They do not receive any emoluments from the company for their services. The porter is employed by the property management company.

5	<u>Tax on profit on ordinary activities</u>	1996 £	1995 £
	United Kingdom corporation tax at 24.5% (1995 -25%)	64	41
		<u> </u>	<u> </u>

Notes to the financial statements - 29 September 1996 - continued6 Tangible fixed assetsPlant and
equipment

£

Cost

At 30 September 1995

1,673

At 29 September 1996

1,673

Depreciation

At 30 September 1995

1,108

Charge for year

113

At 29 September 1996

1,221

Net book value

At 29 September 1996

452

At 29 September 1995

565

7 Debtors

1996

£

1995

£

Amounts falling due within one year:

Service charges due by lessees

- billed

1,334

8,897

- quarter in advance

-

(9,076)

1,334

(179)

- (surplus)/deficit for year

(81)

(1,855)

- (surplus)/deficit brought forward

(4,013)

(2,158)

See note 8 - Creditors

(2,760)

(4,192)

Prepayments

- porter's residence expenses

311

-

- electricity

240

-

- security

120

-

- insurance

778

681

- repairs

-

250

1,449

931

Notes to the financial statements - 29 September 1996 - continued

8	<u>Creditors: amounts falling due within one year</u>	1996	1995
		£	£
	Service charges - see note 7	2,760	4,192
	Other creditors (see (a) below)	5,026	3,372
	Accruals (see (b) below)	1,676	1,422
		<u>9,462</u>	<u>8,986</u>
(a)	Analysis of other creditors:		
	Water and sewerage	1,206	-
	Window cleaning	-	235
	Property management	-	423
	Repairs	1,248	386
	Porter's wages	-	44
	Porter's residence expenses	-	15
	Ground rent (see (i) below)	2,572	2,269
		<u>5,026</u>	<u>3,372</u>
(i)	The identity of the superior landlord is not known. Therefore ground rent has not been paid over to date.		
(b)	Analysis of accruals:		
	Water and sewerage	793	144
	Electricity	-	208
	Accountancy and audit	723	760
	Porter's residence - expenses	160	310
		<u>1,676</u>	<u>1,422</u>

Notes to the financial statements - 29 September 1996 - continued

9	<u>Called up share capital</u>	Ordinary shares of £1 each	
		1996	1995
	Authorised - value	<u>24</u>	<u>24</u>
	- number	<u>24</u>	<u>24</u>
	Allotted, called up and fully paid		
	- value	<u>24</u>	<u>24</u>
	- number	<u>24</u>	<u>24</u>
10	<u>Reconciliation of movement in shareholders' funds</u>	1996	1995
		£	£
	Profit for the year	-	-
	Shareholders' funds at 30 September 1995	<u>24</u>	<u>24</u>
	Shareholders' funds at 29 September 1996	<u>24</u>	<u>24</u>
11	<u>Financial Commitments</u>	1996	1995
		£	£
	Expenditure authorised by the directors - tree surgeon	<u>1,000</u>	<u>-</u>

Detailed profit and loss accountYear ended 29 September 1996

	1996 £	1995 £
INCOME		
Service charges	36,002	34,000
Additional levy	12,000	-
(Surplus)/Deficit due by lessees - balancing figure	(81)	(1,855)
Ground rent	303	303
	<hr/>	<hr/>
	48,224	32,448
Interest receivable (net)	216	125
	<hr/>	<hr/>
	48,440	32,573
LESS: EXPENSES		
Porter's wages	5,530	5,381
Porter's residence - expenses	1,681	1,415
- repairs and renewals	960	175
Electricity	3,172	3,278
Lift maintenance	3,482	3,640
Cleaning	86	217
Water and sewerage	3,607	3,802
Window cleaning	940	940
Gardening	36	161
Security	360	-
Repairs and renewals - external decoration	12,138	-
- internal decoration	1,530	-
- building work	5,587	-
- other	3,015	6,556
Insurance	3,017	3,172
Professional fees - property management	1,797	1,694
- accountancy and audit	700	760
- surveyor's fee	300	614
Miscellaneous	86	323
Depreciation	113	142
Ground rent	303	303
	<hr/>	<hr/>
	48,440	32,573
	<hr/>	<hr/>
Net profit	-	-
	<hr/>	<hr/>

Proportionate amount due from lesseesYear ended 29 September 1996

	£
Service charges	<u>36,002</u>

The last rateable values were:

<u>Flat nos.</u>	<u>No.</u>	<u>Value</u>	<u>Total</u>
4,8,11,20	4	492	1,968
1,2,5,7,10,14,17,23	8	476	3,808
3,6,9,12,15,16,18,19,21,22,24	11	384	4,224
25	1	401	401
			<u>10,401</u>

The proportionate amount due from the lessees is:

4 x £36,002 x $\frac{492}{10,401}$	6,812
8 x £36,002 x $\frac{476}{10,401}$	13,181
11 x £36,002 x $\frac{384}{10,401}$	14,621
1 x £36,002 x $\frac{401}{10,401}$	1,388
	<u>36,002</u>

Accountant's Certificate

In accordance with paragraph 10 of the sixth schedule of the lease I certify that the foregoing are the proportionate amounts due from the lessees for the year ended 29 September 1996 as provided for in paragraph 16 of the fifth schedule of the lease.

Janet Essex

 Janet Essex

Chartered Accountant

BRISTOL, 2 January 1997