

75/77 KENSINGTON GARDENS SQUARE LIMITED
(A company limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004



75/77 KENSINGTON GARDENS SQUARE LIMITED
(A company limited by Guarantee)

DIRECTORS

Dr. M J SALA
R JAYASURIYA
K D WALLMAN
S A STRONG
J N BLACKBURNE

SECRETARY

C L BURBRIDGE

AUDITORS

GIBSON APPLEBY
BLENHEIM HOUSE
120 CHURCH STREET
BRIGHTON
BN1 1AU

BANKERS

BARCLAYS BANK PLC
93/97 QUEENSWAY
LONDON

SOLICITORS

FYNMORES
10/12 PARKHURST ROAD
BEXHILL ON SEA
EAST SUSSEX
TN40 1DF

REGISTERED OFFICE

10/12 PARKHURST ROAD
BEXHILL ON SEA
EAST SUSSEX
TN40 1DF

75/77 KENSINGTON GARDENS SQUARE LIMITED
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DIRECTORS REPORT

The Directors have pleasure in presenting their Annual Report and the audited financial statements for the year ended 31st March 2004.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of managing and administering the freehold of 75/77 Kensington Gardens Square.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:-

Dr M J Sala
R Jayasuriya
K D Wallman
S A Strong
J M Blackburne

Other interests of the directors are detailed in note 11 to the financial statements.

RESULTS AND FUTURE DEVELOPMENTS

The company does not trade for profit and accordingly no profit and loss account has been prepared.

The directors consider the state of the company's affairs to be satisfactory.

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 deficit 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.

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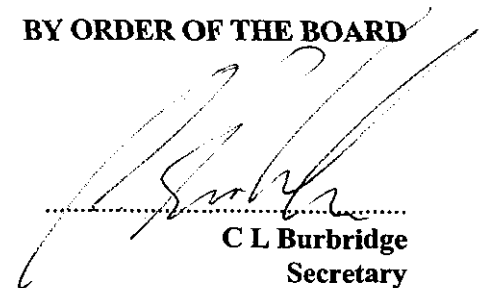
DIRECTORS REPORT

AUDITORS

A resolution to re-appoint Messrs Gibson Appleby, Chartered Accountants, in accordance with the provisions of the Companies Act 1985 will be proposed at the forthcoming Annual General Meeting.

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

BY ORDER OF THE BOARD



.....
C L Burbridge
Secretary

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF

75/77 KENSINGTON GARDENS SQUARE LIMITED

(A company limited by Guarantee)

We have audited the financial statements for the year ended 31st March 2004, set out on pages 5 to 11. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2003) under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors Responsibilities on page 1 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 accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 misstatements within it.

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 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.

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF

75/77 KENSINGTON GARDENS SQUARE LIMITED
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(continued)

Opinion.

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2004 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Gibson Appleby 26 January 2005

Gibson Appleby
Chartered Accountants and Registered Auditor
Blenheim House, 120 Church Street, BRIGHTON, BN1 1AU

75/77 KENSINGTON GARDENS SQUARE LIMITED
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INCOME AND EXPENDITURE ACCOUNT

for the year ended 31st March 2004

	Note	2004 £	2003 £
INCOME FROM SERVICES CHARGES	1(e)	20,500	21,000
Service charge expenditure	2	(26,475)	(23,958)
OPERATING DEFICIT BEFORE TAXATION		<u>(5,975)</u>	<u>(2,958)</u>
Taxation	4	-	-
DEFICIT AFTER TAXATION		<u>(5,975)</u>	<u>(2,958)</u>
Transfer from repairs reserve		-	-
DEFICIT FOR THE YEAR		<u>(5,975)</u>	<u>(2,958)</u>
RETAINED SURPLUS BROUGHT FORWARD		13,167	16,125
RETAINED SURPLUS CARRIED FORWARD		<u><u>7,192</u></u>	<u><u>13,167</u></u>

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REPAIRS RESERVE INCOME AND EXPENDITURE ACCOUNT

for the year ended 31st March 2004

	Note	2004 £	2003 £
INCOME FROM MAJOR WORKS CHARGES	1(f)	9,361	78,113
Major works expenditure		(9,379)	(96,098)
OPERATING DEFICIT		(18)	(17,985)
Interest receivable		18	868
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(17,117)
Taxation	4	-	(1)
(DEFICIT)/SURPLUS AFTER TAXATION		-	(17,118)
Transfer to flat owners contribution reserve		-	-
(DEFICIT)/SURPLUS FOR THE YEAR		-	(17,118)
RETAINED SURPLUS BROUGHT FORWARD		-	17,118
RETAINED SURPLUS CARRIED FORWARD		-	-

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BALANCE SHEET as at 31st March 2004

	Note	£	2004 £	£	2003 £
FIXED ASSETS					
Tangible assets	5		2,566		2,637
CURRENT ASSETS					
Debtors	6	12,392		18,857	
Cash at bank and in hand		-		15,428	
		12,392		34,285	
CREDITORS : amounts falling due within one year	7	(7,766)		(23,755)	
NET CURRENT ASSETS			4,626		10,530
NET ASSETS			7,192		13,167
CAPITAL AND RESERVES					
Repairs reserve	8		-		-
Flat owners contribution reserve	9		7,192		13,167
FLAT OWNERS FUNDS	10		7,192		13,167

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board on 18-01-2005



Director

75/77 KENSINGTON GARDENS SQUARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2004

1. ACCOUNTING POLICIES

There have been no changes in accounting policies during the year.

a) Status

The company is limited by guarantee and the liability of the members is limited to £1 each.

b) Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The following principal accounting policies have been applied:

c) Turnover

Turnover represents amounts receivable from flat owners for general maintenance contributions and major works contributions due.

d) Profit and Loss Account

The company does not trade for profit, but receives income which is required to meet service charges and major works expenditure. Accordingly, no profit and loss account has been prepared.

e) Service charge income

Income from service charges represents the amount demanded from flat owners in respect of the year under review.

f) Repairs reserve

The expenditure of the company under the terms of the leases which govern its activities has been divided between general maintenance expenditure and major works expenditure.

General maintenance expenditure is dealt with in the income and expenditure account, and detailed in the statement of service charge expenditure. Any surplus for the year is to be repaid to the flat owners, a deficit for the year is to be recovered from the flat owners.

Major works expenditure is treated as a movement on the repairs reserve, and any surplus is carried forward to be available for use in future years. A deficit arising on the repairs reserve is recoverable as a surcharge from flat owners.

g) Depreciation

Depreciation is calculated to write off the cost of fixed assets over their expected useful economic lives at the following rates:

Freehold property : straight line over 50 years

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2004

	2004 £	2003 £
2. SERVICE CHARGE EXPENDITURE		
General service charge expenditure includes:		
Auditors remuneration	1,953	1,763
Depreciation	71	71
	<u> </u>	<u> </u>

3. EMPLOYEES

Other than the directors, there were no employees during the year (2003 : none).

4. TAXATION

UK corporation tax at 0% on interest received	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The company does not trade for profit and as such is not subject to UK corporation tax on its management activities.

5. FIXED ASSETS	Freehold Land and Buildings £
COST	
At 1st April 2003 and 31st March 2004	3,560
	<u> </u>
DEPRECIATION	
At 1st April 2003	923
Charge for year	71
	<u> </u>
At 31st March 2004	994
	<u> </u>
NET BOOK VALUE	
At 31st March 2004	2,566
	<u> </u>
NET BOOK VALUE	
At 31st March 2003	2,637
	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2004

	2004 £	2003 £
6. DEBTORS		
Service charge contributions unpaid	268	3,463
Major works contributions unpaid	10,022	11,365
Prepayments	2,102	4,005
Other debtors	-	24
	<u>12,392</u>	<u>18,557</u>
Included within major works contributions unpaid is an amount of £9,361 for contributions to be demanded in relation to the deficit arising on the Major Works Reserve during the year.		
7. CREDITORS : amounts falling due within one year		
Bank overdraft	1,419	-
Service charge contributions received in advance	2,065	1,686
Major works contributions received in advance	-	-
Other creditors and accruals	4,282	22,069
	<u>7,766</u>	<u>23,755</u>
8. REPAIRS RESERVE		
Retained surplus at 1st April 2003	-	17,118
Retained deficit for the year	-	(17,118)
	<u>-</u>	<u>-</u>
Retained surplus at 31st March 2004	-	-
9. FLAT OWNERS CONTRIBUTIONS RESERVE		
Retained surplus at 1st April 2003	13,167	16,125
Retained deficit for year	(5,975)	(2,958)
	<u>7,192</u>	<u>13,167</u>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2004

		2004	2003
		£	£
10. RECONCILIATION OF MOVEMENTS ON FLAT OWNERS FUNDS			
Deficit on flat owners contributions reserve	(5,975)	(2,958)	
Deficit on repairs reserve		-	(17,118)
		-----	-----
Net deficit to flat owners funds		(5,975)	(20,076)
Opening flat owners funds at 1st April 2003		13,167	33,243
		-----	-----
Closing flat owners funds at 31st March 2004		<u>7,192</u>	<u>13,167</u>

11. DIRECTORS' INTERESTS

None of the directors have any interests in the company.

12. ULTIMATE CONTROL

Ultimate control of the company rests with the flat owners.