

Company no. 1797102

**DARNHILLS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29TH SEPTEMBER 2002**



**DARNHILLS LIMITED**

**Directors**

G.N. Tankel  
M. Leigh  
K.A. Goldthorpe  
D. Glazer  
E.M. Horsford  
D.L. Kobrin

**Secretary**

D. Glazer

**Registered Office**

9 Beaumont Gate  
Shenley Hill  
Radlett  
Herts WD7 7AR

**Company Number:**

1797102 (*In England and Wales*)

**Auditors**

Nagler Wolfson  
Registered Auditors  
Chartered Accountants  
9 Beaumont Gate  
Shenley Hill  
Radlett  
Herts WD7 7AR

**Bankers**

Barclays Bank Plc.  
221 Watling Street  
Radlett  
Herts WD7 7AJ

**Building society**

Harpenden Building Society  
341 Watling Street  
Radlett  
Herts WD7 7LB

**DARNHILLS LIMITED**

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**DARNHILLS LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 29TH SEPTEMBER 2002**

The directors present their annual report with the audited financial statements for the year ended 29th September 2002.

**PRINCIPAL ACTIVITY**

The company was formed to acquire the freehold known as Darnhills, Watford Road, Radlett, Herts., and to grant long leases of the flats to existing tenants but not to make any profit or loss. The company also provides services and maintains the communal parts of Darnhills.

**DIRECTORS**

The directors in office during the year and their beneficial interests in the issued ordinary share capital were as follows:

	<u>2002</u>	<u>2001</u>
G.N. Tankel	1	1
M. Leigh	1	1
K.A. Goldthorpe	1	1
D. Glazer	1	1
E.M. Horsford	1	1
D.L. Kobrin	1	1

In accordance with the articles of association, the appropriate directors retire by rotation and offer themselves for re-election.

**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 the affairs of the company and of the surplus or 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.

**Auditors**

The auditors, Nagler Wolfson, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985, at the forthcoming Annual General Meeting.

The report of the directors 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:



D. Glazer  
Secretary

Dated: 17/2/03

**AUDITORS' REPORT TO THE MEMBERS OF**  
**DARNHILLS LIMITED**

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

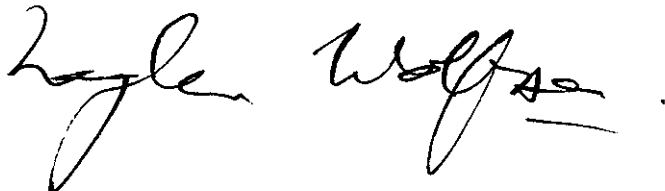
**Basis of opinion**

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 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 at 29th September 2002 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Nagler Wolfson  
Registered Auditors  
Chartered Accountants  
9 Beaumont Gate  
Shenley Hill  
Radlett  
Hertfordshire WD7 7AR

Date: February 18th, 2003<sub>2</sub>

**DARNHILLS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 29TH SEPTEMBER 2002**

	Notes	2002	2001
		£	£
<b>Income - Continuing operations</b>			
Ground rents paid by lessees		1,200	1,200
<b><u>Deduct: Expenditure</u></b>			
Audit fees		599	470
Bank charges		30	29
Legal and professional fees		15	15
		----	----
		644	514
		----	----
<b>Operating surplus</b>			
- continuing operations	2	556	686
<b><u>Less: Corporation tax</u></b>	3	-	69
		----	----
		556	617
<b><u>Less</u></b>			
Transfer to Lessees Management Fund		1,200	1,200
		-----	-----
<b>Deficit on ordinary activities before interest receivable and taxation</b>		(644)	(583)
<b>Add: Investment Income</b>			
Building Society interest		24	28
Bank interest		20	261
		-----	-----
		44	289
<b><u>Less: Trust &amp; Estates tax</u></b>	3	15	93
<b><u>Add: Over provision of corporation tax</u></b>		69	-
		-----	-----
		98	196
		-----	-----
<b>Net deficit for the year</b>	5	<u>£(546)</u>	<u>£(387)</u>
Note:			
Deficit on ordinary activities before taxation		<u>£(600)</u>	<u>£(225)</u>

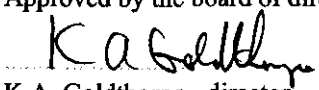
There were no recognised gains and losses other than the deficit for the year.

The notes on pages 5 & 6 form part of these financial statements

**DARNHILLS LIMITED**  
**BALANCE SHEET AS AT 29TH SEPTEMBER 2002**

		2002				2001			
	Notes	£	£	£	£	£	£	£	£
<b>Fixed assets</b>									
Freehold land and buildings	4			19,331				19,331	
<b>Current assets</b>									
Lessees' Management Fund			-			2,742			
Cash at bank			11,133			295			
Cash at building society			1,002			983			
			-----			-----			
			12,135			4,020			
<b>Creditors: amounts falling due within one year</b>									
Audit fee		540			470				
Trust & Estate tax		103			162				
Bank charges		58			29				
		-----			-----				
			701			661			
			-----			-----			
<b>Net current assets</b>				11,434				3,359	
				-----				-----	
<b>Total assets less current liabilities</b>				30,765				22,690	
<b>Creditors: amounts falling due after more than one year</b>									
Lessees' Management Fund				8,621				-	
				-----				-----	
				£22,144				£22,690	
				=====				=====	
<b>Capital and reserves</b>									
<b>Called up share capital</b>									
Authorised									
100 Ordinary shares of £1 each			100			100			
			=====			=====			
Allotted, issued and fully paid									
20 Ordinary shares of £1 each				20				20	
<b>Capital Reserve</b>									
Contributions from tenants	5			12,440				12,440	
Profit and loss account	5			9,684				10,230	
				-----				-----	
<b>Shareholders' funds</b>	6			£22,144				£22,690	
				=====				=====	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 17<sup>th</sup> February 2003  
  
K.A. Goldthorpe - director

The notes on pages 5 & 6 form part of these financial statements

**DARNHILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29TH SEPTEMBER 2002**

**1. Accounting Policies**

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**a. Accounting convention**

The financial statements have been prepared under the historical cost convention and incorporate the results of the principal activity of granting long leases of Darnhills to existing tenants and providing services and maintaining the communal parts thereof, which activity is continuing.

**b. Depreciation**

No depreciation is provided on the freehold buildings as the directors consider the premises are continually maintained to a high standard and their estimated residual values are not expected to ever be materially less than their original cost. The freehold land and buildings are therefore included in the balance sheet at cost.

**2. Deficit on ordinary activities before taxation**

The deficit on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Auditors' remuneration	599	470
	=====	=====

**3. Taxation**

Income tax.

Chargeable only on interest receivable for the year at the following rates:- (2001: 34%)

	2002 £	2001 £
£44 @ 34%	15	93
	=====	=====

Corporation tax.

Chargeable only on operating surplus for the year at the following rates:-

	2002 £	2001 £
	-	69
	=====	=====
	2002 £	2001 £
Total taxation due	15	162
	=====	=====



**DARNHILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29TH SEPTEMBER 2002**  
**(Continued)**

**4. Tangible fixed assets**

Freehold  
land and  
buildings  
£

**Cost**

At 29th September 2001 and 29th September 2002 19,331

**Net book values**

At 29th September 2001 and 29th September 2002 19,331

**5. Reserves**

Contributions  
from tenants

Profit and  
Loss account

2002  
£

2001  
£

2002  
£

2001  
£

Balance at 30th September 2001	12,440	12,440	10,230	10,617
(Deficit) retained for the year	-	-	(546)	(387)
Balance at 29th September 2002	<u>£12,440</u>	<u>£12,440</u>	<u>£9,684</u>	<u>£10,230</u>

**6. Reconciliation of movement in shareholder's funds**

2002  
£

2001  
£

(Deficit) for the year (546) (387)

Shareholders' funds at 30th September 2001 22,690 23,077

Shareholders' funds at 29th September 2002 £22,144 £22,690