

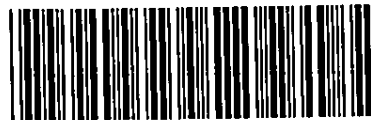
Registration number 26390

Hastings Cottage Improvement Society Limited

Directors' report and financial statements

for the year ended 31 March 2008

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Hastings Cottage Improvement Society Limited

Company information

Directors	M A Lester J W Lester R Sandford FRICS
Secretary	R Sandford FRICS
Company number	26390
Registered office	3 Cambridge Gardens Hastings East Sussex TN34 1EH
Auditors	Manningtons 7-9 Wellington Square Hastings East Sussex TN34 1PD
Business address	3 Cambridge Gardens Hastings East Sussex TN34 1EH
Bankers	National Westminster Bank PLC Havelock Road Hastings East Sussex TN34 1BW

Hastings Cottage Improvement Society Limited

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Hastings Cottage Improvement Society Limited

Directors' report for the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008.

Principal activity

The principal activity of the company which remained unchanged during the year under review was that of providing and improving living accommodation for renting

Directors

The directors who served during the year are as stated below:

M A Lester

J W Lester

R Sandford FRICS

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year In preparing these financial statements the directors are required to

- select suitable accounting policies and 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Manningtons be reappointed as auditors of the company will be put to the Annual General Meeting

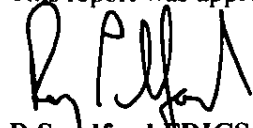
This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Hastings Cottage Improvement Society Limited

**Directors' report
for the year ended 31 March 2008**

continued

This report was approved by the Board on 1 September 2008 and signed on its behalf by



**R Sandford FRICS
Secretary**

Hastings Cottage Improvement Society Limited

Independent auditors' report to the shareholders of Hastings Cottage Improvement Society Limited

We have audited the financial statements of Hastings Cottage Improvement Society Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Hastings Cottage Improvement Society Limited

Independent auditors' report to the shareholders of Hastings Cottage Improvement Society Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable for Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Manningtons

**Manningtons
Chartered Accountants and
Registered Auditor**

**7-9 Wellington Square
Hastings
East Sussex
TN34 1PD**

22.09.2008

Hastings Cottage Improvement Society Limited

Profit and loss account for the year ended 31 March 2008

		2008	2007
	Notes	£	£
Turnover	2	257,156	252,836
Distribution costs		(87,076)	(67,908)
Administrative expenses		(46,210)	(48,350)
Other operating income		150	250
Operating profit	3	124,020	136,828
Other interest receivable and similar income		35	15
Interest payable and similar charges		(14,370)	(17,464)
Profit on ordinary activities before taxation		109,685	119,379
Tax on profit on ordinary activities	6	(22,711)	(22,957)
Retained profit for the year	15	86,974	96,422
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		86,974	96,422
Unrealised movement on revaluation of property		473,400	22,998
Total recognised gains relating to the year		560,374	119,420

The notes on pages 7 to 13 form an integral part of these financial statements.

Hastings Cottage Improvement Society Limited

Balance sheet as at 31 March 2008

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		3,119,001		3,119,001
Current assets					
Debtors	9	32,169		40,831	
Cash at bank and in hand		12,482		3,533	
		<u>44,651</u>		<u>44,364</u>	
Creditors: amounts falling due within one year	10	<u>(50,655)</u>		<u>(64,178)</u>	
Net current			<u>(6,004)</u>		<u>(19,814)</u>
Total assets less current liabilities			3,112,997		3,099,187
Creditors: amounts falling due after more than one year	11		(143,687)		(195,595)
Provisions for liabilities	12		<u>1,384</u>		<u>(470,773)</u>
Net assets			<u>2,970,694</u>		<u>2,432,819</u>
Capital and reserves					
Called up share capital	14		15,000		15,000
Revaluation reserve	15		2,323,437		1,850,037
Profit and loss account	15		<u>632,257</u>		<u>567,782</u>
Shareholders' funds			<u>2,970,694</u>		<u>2,432,819</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2007) relating to small companies

The financial statements were approved by the Board on 1 September 2008 and signed on its behalf by


M A Lester
Director

The notes on pages 7 to 13 form an integral part of these financial statements.

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2008

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

1.2. Turnover

Turnover represents aggregate rentals receivable from operating leases granted to tenants of the freehold investment properties in respect of continuing activities

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows

Land and buildings	-	nil
Plant and machinery	-	25% reducing balance method

In accordance with the Financial Reporting Standard for Smaller Entities no depreciation is provided on freehold properties as they are considered to be investments, and thus are included in the accounts at open market value. This represents a departure from the Companies Act 1985, in order to give a true and fair view.

1.4. Pensions

A defined contribution scheme is provided for a director. The premiums paid by the company are charged to the profit and loss account during the year in which they are paid.

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2008

1.5. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted;

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3. Operating profit

	2008 £	2007 £
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	-	3
Auditors' remuneration	1,451	1,410

4. Directors' emoluments

	2008 £	2007 £
Remuneration and other benefits	23,580	23,291

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	1	1

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2008

5. Pension costs

The company operates a defined contribution pension scheme in respect of a director. The scheme and its assets are held by independent managers. The pension charge represents contributions paid by the company and amounted to £7,080 (2007 - £6,955)

6. Tax on profit on ordinary activities

Analysis of charge in period	2008 £	2007 £
Current tax		
UK corporation tax	21,467	22,083
Total current tax charge	<u>21,467</u>	<u>22,083</u>
Deferred tax		
Timing differences, origination and reversal	1,244	874
Total deferred tax	<u>1,244</u>	<u>874</u>
Tax on profit on ordinary activities	<u>22,711</u>	<u>22,957</u>

7. Dividends

Dividends paid and proposed on equity shares

	2008 £	2007 £
Paid during the year		
Equity dividends on Ordinary shares	22,500	22,706
	<u>22,500</u>	<u>22,706</u>

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2008

8. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Total £
Cost/revaluation			
At 1 April 2007	3,119,000	753	3,119,753
At 31 March 2008	3,119,000	753	3,119,753
Depreciation			
At 1 April 2007	-	752	752
At 31 March 2008	-	752	752
Net book values			
At 31 March 2008	3,119,000	1	3,119,001
At 31 March 2007	3,119,000	1	3,119,001

The freehold properties were revalued on 18 July 2005 by Mr R Sandford FRICS of Messrs W A Bryan & Co LLP, Chartered Surveyors and Valuers on an open market value for existing use basis. There have been no additions to the properties since that date. Mr Sandford is a director of the company. No provision for deferred tax has been made on the revaluation surplus. If these assets were sold for their revalued amounts there would be a tax liability of £413,119.

9. Debtors	2008 £	2007 £
Trade debtors	29,046	37,513
Other debtors	190	-
Prepayments and accrued income	2,933	3,318
	<u>32,169</u>	<u>40,831</u>

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2008

10. Creditors: amounts falling due within one year	2008 £	2007 £
Bank loan	26,278	37,078
Bills of exchange payable	147	2,366
Corporation tax	21,467	22,083
Accruals and deferred income	2,763	2,651
	<u>50,655</u>	<u>64,178</u>

The company's bankers hold a legal charge in their favour over certain of the company's freehold properties.

11. Creditors: amounts falling due after more than one year	2008 £	2007 £
Bank loan	<u>143,687</u>	<u>195,595</u>
Repayable in five years or more	<u>38,576</u>	<u>64,853</u>

12. Provisions for liabilities	Deferred taxation (Note 13) £	Total £
At 1 April 2007	470,772	470,772
Movements in the year	472,156	472,156
At 31 March 2008	<u>(1,384)</u>	<u>(1,384)</u>

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2008

13. Provision for deferred taxation	2008	2007	
	£	£	
Accelerated capital allowances	(1,384)	(2,628)	
Surplus on revaluation of property	-	473,400	
	<u>(1,384)</u>	<u>470,772</u>	
Undiscounted provision for deferred tax			
Provision at 1 April 2007	470,772		
Deferred tax charge in profit and loss account	1,244		
Deferred tax credit in revaluation reserve	(473,400)		
	<u>(1,384)</u>		
Provision at 31 March 2008			
14. Share capital	2008	2007	
	£	£	
Authorised			
600 Ordinary shares of £25 each	<u>15,000</u>	<u>15,000</u>	
Allotted, called up and fully paid			
600 Ordinary shares of £25 each	<u>15,000</u>	<u>15,000</u>	
Equity Shares			
600 Ordinary shares of £25 each	<u>15,000</u>	<u>15,000</u>	
15. Reserves	Revaluation reserve	Profit and loss account	Total
	£	£	£
At 1 April 2007	1,850,037	567,783	2,417,820
Deferred tax on revaluation of property	473,400		473,400
Profit for the year		86,974	86,974
Equity dividends		(22,500)	(22,500)
	<u>2,323,437</u>	<u>632,257</u>	<u>2,955,694</u>
At 31 March 2008			

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2008

16. Transactions with directors

During the year the company occupied premises owned by Mr R Sandford, a director and secretary of the company. The rent paid was £1,000 which is considered to be not materially different from the market rent. During the year the company purchased goods and services to the value of £33,694 from Mr R Sandford FRICS practising as W A Bryan & Co LLP, Chartered Surveyors. These comprise the following

	2008	2007
	£	£
Management fees (including VAT)	25,655	24,915
Insurance premiums paid gross to cover all of the society's freehold investment properties	7,039	6,636
Office rent	1,000	1,000
	<u>33,694</u>	<u>32,551</u>

17. Related party transactions

There were no related party transactions during the year other than those recorded in note 16

18. Ultimate parent undertaking

In the directors' opinion no party has overall control of the company