

Registration Number 26390

Hastings Cottage Improvement Society Limited

Directors' Report and Financial Statements

for the year ended 31st March 2003



Hastings Cottage Improvement Society Limited

Company Information

Directors	M. A. Lester J. W. Lester R. Sandford
Secretary	R Sandford FRICS
Company Number	26390
Registered Office	3 Cambridge Gardens Hastings East Sussex TN34 1EH
Auditors	Gibbons & Mannington 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
Solicitors	Funnell & Perring 192/193 Queens Road Hastings East Sussex TN34 1RG

Hastings Cottage Improvement Society Limited

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Hastings Cottage Improvement Society Limited

Directors' Report for the year ended 31st March 2003

The directors present their report and the financial statements for the year ended 31st March 2003.

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 and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31st March 2003	1st April 2002
M. A. Lester	47	47
J. W. Lester	97	97
R. Sandford	132	132

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 profit or loss of the company for that year. In preparing these 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Gibbons & Mannington 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.

This report was approved by the Board on 29.08.03 and signed on its behalf by


R Sandford FRICS
Secretary

Hastings Cottage Improvement Society Limited

Auditors' Report to the Shareholders of Hastings Cottage Improvement Society Limited

We have audited the financial statements on pages 3 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention as modified by the revaluation of certain fixed assets 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

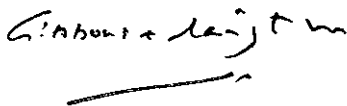
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 as at 31st March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gibbons & Mannington

**Chartered Accountants and
Registered Auditor**

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

01.09.03

Hastings Cottage Improvement Society Limited

Profit and Loss Account for the year ended 31st March 2003

		2003	2002
	Notes	£	£
Turnover	2	200,164	192,993
Property costs		(151,341)	(121,993)
Administrative expenses		(36,946)	(35,951)
Operating profit	3	11,877	35,049
Interest receivable and similar income		82	1,155
Interest payable and similar charges	4	(352)	(1,944)
Profit on ordinary activities before taxation		11,607	34,260
Tax on profit on ordinary activities	7	-	(4,886)
Profit on ordinary activities after taxation		11,607	29,374
Dividends		(18,450)	(18,000)
(Loss)/retained profit for the year		(6,843)	11,374
Retained profit brought forward		324,363	312,989
Retained profit carried forward		317,520	324,363

The notes on pages 5 to 10 form an integral part of these financial statements.

Hastings Cottage Improvement Society Limited

Balance Sheet as at 31st March 2003

	Notes	2003		2002	
		£	£	£	£
Fixed Assets					
Tangible assets	8		1,195,113		1,186,753
Current Assets					
Debtors	9	22,605		23,359	
Cash at bank and in hand		986		3,739	
		<u>23,591</u>		<u>27,098</u>	
Creditors: amounts falling due within one year	10	<u>(36,794)</u>		<u>(25,098)</u>	
Net Current (Liabilities)/Assets			<u>(13,203)</u>		<u>2,000</u>
Total Assets Less Current Liabilities			<u>1,181,910</u>		<u>1,188,753</u>
Capital and Reserves					
Called up share capital	11		15,000		15,000
Revaluation reserve	12		849,390		849,390
Profit and loss account	12		<u>317,520</u>		<u>324,363</u>
Shareholders' Funds			<u>1,181,910</u>		<u>1,188,753</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 29.08.03 and signed on its behalf by

M. A. Lester
Director



The notes on pages 5 to 10 form an integral part of these financial statements.

Hastings Cottage Improvement Society Limited

Notes to the Financial Statements for the year ended 31st March 2003

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.

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:

Plant and machinery - 25% reducing balance

Investment properties were revalued on 21 May 1999 as at 31 March 1999. The directors will consider a further revaluation within two years.

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.

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

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	3	4
Auditors' remuneration	1,175	1,140
Auditors' remuneration from non-audit work	999	999
	<u>2,177</u>	<u>2,143</u>

4. Interest payable and similar charges

	2003	2002
	£	£
On loans and overdrafts	<u>352</u>	<u>1,944</u>

Hastings Cottage Improvement Society Limited

Notes to the Financial Statements for the year ended 31st March 2003

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5. Directors' emoluments

	2003	2002
	£	£
Remuneration and other benefits	<u>19,755</u>	<u>19,169</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>

6. 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 due from the company and amounted to £5,505 (2002 - £5,419).

7. Taxation	2003	2002
	£	£
UK current year taxation		
UK Corporation Tax	<u>-</u>	<u>4,886</u>

Hastings Cottage Improvement Society Limited

Notes to the Financial Statements for the year ended 31st March 2003

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8. Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Total
	£	£	£
Cost/revaluation			
At 1st April 2002	1,186,741	753	1,187,494
Additions	8,363	-	8,363
At 31st March 2003	<u>1,195,104</u>	<u>753</u>	<u>1,195,857</u>
Depreciation			
At 1st April 2002	-	741	741
Charge for the year	-	3	3
At 31st March 2003	<u>-</u>	<u>744</u>	<u>744</u>
Net book values			
At 31st March 2003	<u>1,195,104</u>	<u>9</u>	<u>1,195,113</u>
At 31st March 2002	<u>1,186,741</u>	<u>12</u>	<u>1,186,753</u>

The 1999 valuation was made on 31 March 1999 by Mr R Sandford FRICS of Messrs W A Bryan & Co, Chartered Surveyors and Valuers on an open market value for existing use basis. Mr Sandford is a Director of the Company.

9. Debtors

	2003 £	2002 £
Trade debtors	20,185	2,715
Prepayments and accrued income	<u>2,420</u>	<u>20,644</u>
	<u>22,605</u>	<u>23,359</u>

Hastings Cottage Improvement Society Limited

Notes to the Financial Statements for the year ended 31st March 2003

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10. Creditors: amounts falling due within one year	2003 £	2002 £
Loan: R Sandford, Director	16,352	-
Corporation tax	-	4,886
Accruals and deferred income	1,992	2,212
Proposed dividend	18,450	18,000
	<u>36,794</u>	<u>25,098</u>

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

11. Share capital	2003 £	2002 £
Allotted, called up and fully paid 600 Ordinary shares of £25 each	<u>15,000</u>	<u>15,000</u>

12. Reserves	Revaluation reserve £	Profit and loss account £	Total £
At 1st April 2002	849,390	324,363	1,173,753
(Loss)/retained profit for the year		(6,843)	(6,843)
At 31st March 2003	<u>849,390</u>	<u>317,520</u>	<u>1,166,910</u>

The Profit and Loss Account largely represents capital investments in property, and is not indicative of the level of liquid assets.

Hastings Cottage Improvement Society Limited

Notes to the Financial Statements for the year ended 31st March 2003

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13. Capital commitments

	2003	2002
	£	£
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	-	20,000

14. 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 £36,896 from Mr R Sandford FRICS practising as W A Bryan & Co., Chartered Surveyors. These comprise the following:

	2003	2002
	£	
Management fees	23,449	19,262
Insurance premiums paid gross to cover all the Society's freehold investment properties	5,823	5,434
Supervision of major repairs	6,624	6,757
Office rent	1,000	1,000
	<u>36,896</u>	<u>32,453</u>

All goods and services were supplied at market value. As stated above Mr Sandford is a director and secretary of the company.

In addition, Mr R Sandford, director, lent the company £16,000 during the year at a rate of 6% p.a. The interest accrued at 31st March 2003 was £352. £10,000 was repaid to Mr Sandford on 15th April 2003, together with £276 interest.

15. Related party transactions

There were no related party transactions during the year (31st March 2002 - £NIL) other than those recorded in Note 14.

Hastings Cottage Improvement Society Limited

**Notes to the Financial Statements
for the year ended 31st March 2003**

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16. Ultimate parent undertaking

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

17. Contingent liabilities

The company has received grants totalling £36,870 to assist with the refurbishment of 46 Church Road St Leonards on Sea. If the property or any of the individual flats are sold within five years of the final payment in May 2002, the grant is repayable in total, together with interest.

18. Post Balance Sheet events

The Company purchased land at Athelstan Road, Hastings for a total cost of £157,389 in July 2003. The Company intends to build three townhouses on the site which will then be rented out. It is not yet practicable to estimate the full effect on income of this venture.