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HASTINGS COTTAGE IMPROVEMENT  
SOCIETY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31ST MARCH 1995

GIBBONS AND MANNINGTON

Chartered Accountants  
7/9 Wellington Square  
Hastings  
East Sussex  
TN34 1PD



HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITED

COMPANY INFORMATION

Company Number:

26390

Directors :

M A Lester  
J W Lester  
R Sandford

Secretary :

R Sandford

Registered Office :

3 Cambridge Gardens  
Hastings  
East Sussex  
TN34 1EH

Auditors :

Gibbons and Mannington  
7/9 Wellington Square  
Hastings  
East Sussex  
TN34 1PD

Bankers :

National Westminster Bank PLC  
Havelock Road  
Hastings  
East Sussex  
TN34 1BW

HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITEDREPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements for the year ended 31st March 1995.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires 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 apply them consistently;

make judgements and estimates that are reasonable and prudent; and

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 maintaining 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.

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS

The Profit and Loss Account is set out on page 4 and shows the Company's profit for the year together with the retained profits carried forward.

When considering the profit on ordinary activities after taxation of £31,736 the Directors draw the shareholders attention to page 7, which shows that the bank overdraft has been paid off and the bank loan reduced during the year by £5,249. In addition the Directors had contracted before 31st March 1995 to expend approximately £10,000 on the Society's properties.

The Directors recommend that the dividend be increased from £10.00 to £12.00 per share payable by the 31st August 1995.

HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITEDREPORT OF THE DIRECTORS(CONTINUED)FIXED ASSETS

The movements in fixed assets during the year are shown on page 9. The Directors are of the opinion that the market value of the Freehold Properties is not less than the value appearing in the Balance Sheet.

DIRECTORS

The Directors of the Company throughout the year and their interests in the Share Capital of the Company were:-


	<u>£25 Ordinary Shares</u>	
	<u>1995</u>	<u>1994</u>
M A Lester	55	55
J W Lester	68	68
R Sandford	78	78

The Director retiring by rotation is Mr M Lester who being eligible offers himself for re-election.

AUDITORS

The Auditors, Messrs Gibbons and Mannington will be proposed for re-appointment in accordance with Section 384 of the Companies Act 1985.

By Order Of The Board

  
.....  
M A Lester  
Chairman

HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1995

		<u>1995</u>		<u>1994</u>	
	<u>NOTES</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Turnover	1		139,704		135,841
Cost of Sales			(70,954)		(54,571)
Gross Profit			68,750		81,270
Other Operating Income			378		15
Administrative Expenses			(24,176)		(20,311)
Interest Payable and Similar Charges			(3,220)		(5,041)
Operating Profit			41,732		55,933
After charging:					
Auditors Remuneration		881		881	
Accountancy		646		646	
Staff Costs	8	19,884		17,070	
Interest Payable on Loans and Overdrafts repayable within 5 Years		3,220		5,041	
Depreciation		30		39	
Profit on ordinary activities before taxation			41,732		55,933
Tax on Profit/Loss on ordinary activities	2		9,996		14,001
Profit on ordinary activities after taxation			31,736		41,932
Dividends			7,200		6,000
Retained Profit for the year			24,536		35,932
Retained Profits brought forward			85,042		49,110
Retained Profits carried forward			£109,578		£85,042

All disclosures relate only to continuing operations.

There were no recognised gains or losses for 1994 or 1995 other than those included in the Profit and Loss Account.

HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITEDAUDITORS REPORT TO THE SHAREHOLDERS OFHastings Cottage Improvement Society Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

*Respective Responsibilities of Directors and Auditors*

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

*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 1995 and of the profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

*Gibbons & Mannington*

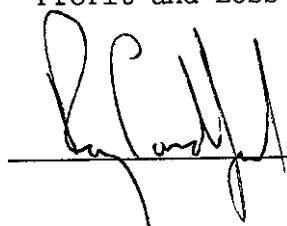
7/9 Wellington Square  
Hastings  
East Sussex  
TN34 1PD

22.8.1995

Gibbons & Mannington  
Chartered Accountants  
Registered Auditors

HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITEDBALANCE SHEET AS AT 31ST MARCH 1995

		<u>1995</u>	<u>1994</u>
	<u>NOTES</u>	<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible Assets	3	503,769	496,743
CURRENT ASSETS			
Debtors	4	20,640	24,781
Cash at Bank and in Hand		15,948	37
		36,588	24,818
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	58,406	64,146
NET CURRENT LIABILITIES		(21,818)	(39,328)
NET ASSETS		<u>£481,951</u>	<u>£457,415</u>
CAPITAL AND RESERVES			
Called Up Share Capital	6	15,000	15,000
Revaluation Reserve	7	357,373	357,373
Profit and Loss Account		109,578	85,042
		<u>£481,951</u>	<u>£457,415</u>



Director

HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 19951 Accounting Policies

The Accounts are prepared, except as stated below concerning the revaluation of freehold investment properties, under the historical cost convention on a going concern basis and in accordance with appropriate accounting standards.

Freehold Investment Properties

A Valuation of the Society's properties was made on 18th October 1990 and the net surplus arising was credited to Revaluation Reserve.

Depreciation- Freehold Investment Properties

No provision has been made in respect of depreciation as in the Directors opinion current market values of the freehold properties have increased since the valuation made on 18th October 1990.

- Plant and Equipment

Depreciation has been calculated at 25% on a reducing balance basis.

Turnover

Turnover represents gross rents receivable from tenants in respect of continuing activities.

2 Taxation

Corporation Tax is payable on the results disclosed by these financial statements at the rate of 25% (1994 - 25%).

3 Fixed Assets - Tangible Assets

Details of tangible fixed assets and movements during the year are given in the schedule on page 9.

4 Debtors

	<u>1995</u>	<u>1994</u>
Trade Debtors	16,811	20,115
Prepayments	2,029	3,166
A.C.T.Recoverable	1,800	1,500
	<u>£20,640</u>	<u>£24,781</u>



HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1995(CONTINUED)5 Creditors: Amounts falling due within one year

	<u>1995</u>	<u>1994</u>
Bank Overdraft	-	2,777
Bank Loan	31,847	37,096
	<u>31,847</u>	<u>39,873</u>
Trade Creditors	8,299	4,091
Taxation and Social Security Costs	764	-
Corporation Tax	8,496	12,682
Proposed Dividend	7,200	6,000
Advance Corporation Tax	1,800	1,500
	<u>£58,406</u>	<u>£64,146</u>

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

6 Share Capital

Authorised 2,000 Ordinary Shares of £25 each	<u>£50,000</u>	<u>£50,000</u>
Issued and Fully Paid 600 Ordinary Shares of £25 each	<u>£15,000</u>	<u>£15,000</u>

7 Revaluation Reserve

Freehold Properties Balance brought forward 1st April 1994	<u>£357,373</u>	<u>£357,373</u>
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No contingent liability to Corporation Tax arises by reason of this revaluation.

8 Staff Costs

The average number of persons employed by the Company (including Directors) during the year was 3 (1994 - 3 ).

Staff Costs consist of:-

Directors' Remuneration:		
Fees	7,000	6,000
Salary	7,746	6,568
Pension Contributions	4,173	3,700
National Insurance Contributions	965	802
	<u>£19,884</u>	<u>£17,070</u>

HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1995(CONTINUED)9 Historical Cost Profit and Loss

The reported profit on ordinary activities before taxation for 1994 and 1995 are the same as the profits for those years restated on an historical cost basis.

10 Capital Commitments

The Board of Directors has authorised and contracted for refurbishment work at a cost of approximately £10,000 (1994 £12,000).

11 Contingent Liability

There is a contingent liability for repayment of local authority grants if the properties are sold within a period after receipt of the grant, as follows:-

<u>Grant</u>	<u>Repayment Period</u>	<u>1995</u>	<u>1994</u>
Improvement	Five Years	25,910	25,910
Conservation Area			
Partnership Scheme	Three Years	990	-
		<u>£26,900</u>	<u>£25,910</u>

HASTINGS COTTAGE IMPROVEMENT SOCIETY LIMITED

SCHEDULE OF TANGIBLE ASSETS AS AT 31ST MARCH 1995

	Freehold Investment Property	Plant and Equipment	Total
<u>COST OR VALUATION</u>			
As at 1st April 1994	496,625	753	497,378
Additions	7,056	-	7,056
	503,681	753	504,434
Disposals	-	-	-
	<u>£503,681</u>	<u>£753</u>	<u>£504,434</u>
 <u>DEPRECIATION</u>			
As at 1st April 1994	-	635	635
Provision for year	-	30	30
	-	665	665
Disposals	-	-	-
	-	£665	£665
 NET BOOK VALUE 1995	<u>£503,681</u>	<u>£88</u>	<u>£503,769</u>
 NET BOOK VALUE 1994	<u>£496,625</u>	<u>£118</u>	<u>£496,743</u>

Freehold Investment properties are included at valuation plus subsequent historical cost, comprising:-

	<u>1995</u>	<u>1994</u>
Cost	67,627	67,627
Revaluation 1991	357,373	357,373
	425,000	425,000
Valuation 1991	78,681	71,625
Subsequent Cost	-	-
 Net Book Value	<u>£503,681</u>	<u>£496,625</u>

The 1991 valuation was made on 18th October 1990 by Messrs W A Bryan & Co, Chartered Surveyors and Valuers on an open market value for existing use basis.