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Registration number 26390

Hastings Cottage Improvement Society Limited

Directors' report and financial statements

for the year ended 31 March 2010

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Hastings Cottage Improvement Society Limited

Company information

Directors	M A Lester FCIOB 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 39 High Street Battle East Sussex TN33 0EE
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 2010

The directors present their report and the financial statements for the year ended 31 March 2010

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 FCIQB

J W Lester

R Sandford FRICS

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

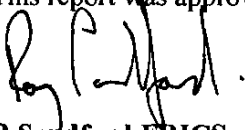
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Hastings Cottage Improvement Society Limited

**Directors' report
for the year ended 31 March 2010**

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This report was approved by the Board on 10 August 2010 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'R Sandford', is written over the printed name.

R Sandford FRICS
Secretary

Hastings Cottage Improvement Society Limited

Independent auditor's 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 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Hastings Cottage Improvement Society Limited

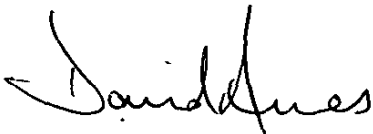
**Independent auditor's report to the shareholders of
Hastings Cottage Improvement Society Limited**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



**David Ames (senior statutory auditor)
For and on behalf of Manningtons
Chartered Accountants and
Statutory Auditor**

20 August 2010

**39 High Street
Battle
East Sussex
TN33 0EE**

Hastings Cottage Improvement Society Limited

**Profit and loss account
for the year ended 31 March 2010**

		2010	2009
	Notes	£	£
Turnover	2	260,706	262,165
Cost of sales		(161,022)	(178,004)
Gross profit		99,684	84,161
Administrative expenses		(47,210)	(46,972)
Other operating income		75	100
Operating profit	3	52,549	37,289
Other interest receivable and similar income		1	8
Interest payable and similar charges		(3,364)	(9,602)
Profit on ordinary activities before taxation		49,186	27,695
Tax on profit on ordinary activities	6	(10,092)	(6,902)
Profit for the year	13	39,094	20,793
Retained profit brought forward		630,099	632,256
Reserve movements		(23,400)	(22,950)
Retained profit carried forward		645,793	630,099
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		39,094	20,793
Unrealised movement on revaluation of property		497,882	-
Total recognised gains since last annual report		536,976	20,793

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 2010

		2010		2009	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		3,616,882		3,119,000
Current assets					
Debtors	9	18,285		9,857	
Cash at bank and in hand		452		689	
		<u>18,737</u>		<u>10,546</u>	
Creditors: amounts falling due within one year	10	<u>(52,726)</u>		<u>(44,841)</u>	
Net current liabilities			<u>(33,989)</u>		<u>(34,295)</u>
Total assets less current liabilities			3,582,893		3,084,705
Creditors: amounts falling due after more than one year	11		<u>(100,780)</u>		<u>(116,168)</u>
Net assets			<u>3,482,113</u>		<u>2,968,537</u>
Capital and reserves					
Called up share capital	12		15,000		15,000
Revaluation reserve	13		2,821,320		2,323,438
Profit and loss account	13		<u>645,793</u>		<u>630,099</u>
Shareholders' funds			<u>3,482,113</u>		<u>2,968,537</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies

The financial statements were approved by the Board on 10 August 2010 and signed on its behalf by

M A Lester ECIOB
Director


Registration number 26390

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 2010

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 the Financial Reporting Standard for Smaller Entities (effective April 2008)

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
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1.4. Investment properties

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 2006, in order to give a true and fair view

1.5. 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 2010

continued

1.6. 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 the 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

	2010 £	2009 £
Operating profit is stated after charging		
Auditors' remuneration	2,350	1,426

4. Directors' remuneration

	2010 £	2009 £
Directors' fees	17,500	17,000
Salary secretary and manager	19,942	19,687
	37,442	36,687

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2010

continued

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 £5,812 (2009 - £5,493)

6. Tax on profit on ordinary activities

Analysis of charge in period	2010 £	2009 £
Current tax		
UK corporation tax	10,092	5,518
Total current tax charge	<u>10,092</u>	<u>5,518</u>
Deferred tax		
Prior period adjustments	-	1,384
Total deferred tax	<u>-</u>	<u>1,384</u>
Tax on profit on ordinary activities	<u>10,092</u>	<u>6,902</u>

7. Dividends

Dividends paid and proposed on equity shares	2010 £	2009 £
Paid during the year		
Equity dividends on Ordinary shares	23,400	22,950
	<u>23,400</u>	<u>22,950</u>

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2010

continued

8. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2009	3,119,000	753	3,119,753
Revaluation	497,882	-	497,882
At 31 March 2010	3,616,882	753	3,617,635
Depreciation			
At 1 April 2009	-	753	753
At 31 March 2010	-	753	753
Net book values			
At 31 March 2010	3,616,882	-	3,616,882
At 31 March 2009	3,119,000	-	3,119,000

Land and buildings comprise investment properties, which have been valued by the directors on the basis of the open market value with current use, as at 31 March 2010. 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 £584,835.

9. Debtors	2010 £	2009 £
Trade debtors	14,988	6,617
Prepayments and accrued income	3,297	3,240
	18,285	9,857

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2010

continued

10. Creditors: amounts falling due within one year	2010 £	2009 £
Bank loan	9,800	26,278
Corporation tax	10,092	5,518
Directors' accounts	30,000	10,000
Accruals and deferred income	2,834	2,821
	<u>52,726</u>	<u>44,841</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	2010 £	2009 £
Bank loan	<u>100,780</u>	<u>116,168</u>
Loans		
Repayable in five years or more	<u>61,580</u>	<u>11,056</u>

12. Share capital	2010 £	2009 £
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>

Hastings Cottage Improvement Society Limited

Notes to the financial statements for the year ended 31 March 2010

continued

13. Reserves	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2009	2,323,438	630,099	2,953,537
Revaluation of property	497,882		497,882
Profit for the year		39,094	39,094
Equity dividends		(23,400)	(23,400)
At 31 March 2010	<u>2,821,320</u>	<u>645,793</u>	<u>3,467,113</u>

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 £34,915 from Mr R Sandford FRICS practising as W A Bryan & Co LLP, Chartered Surveyors. These comprise the following

	2010 £	2009 £
Management Fees (including VAT)	26,002	26,184
Insurance premiums paid gross to cover all of the society's freehold investment properties	7,913	7,775
Office Rent	1,000	1,000
	<u>34,915</u>	<u>34,959</u>

15. Related party transactions

Mr R Sandford, a director, provided loans of £30,000 to the company during the year. These loans have no fixed repayment date and are subject to an interest rate of 2.5% above the base rate. The total of loans due to Mr Sandford at the year end is £30,000 and is included under creditors.

During the year dividends were paid to the directors as follows - Mr M A Lester £858, Mr J W Lester £3,900 and Mr R Sandford £5,538.

Hastings Cottage Improvement Society Limited

**Notes to the financial statements
for the year ended 31 March 2010**

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16. Controlling interest

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