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Registration Number 26390

**Hastings Cottage Improvement Society Limited**

**Directors' Report and Financial Statements**

**for the year ended 31st March 2000**



# **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 2000

The directors present their report and the financial statements for the year ended 31st March 2000.

### 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 2000	1st April 1999
M. A. Lester	44	58
J. W. Lester	95	72
R. Sandford	130	82

### Post Balance Sheet Events

Since the preparation of these accounts the society has expended over £20,000 renovating two flats, and subject to grant approval by the local authority, is contracting to spend £73,000 on 46 Church Road, St Leonards-on-Sea. This expenditure is over and above normal maintenance.

### 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.

# **Hastings Cottage Improvement Society Limited**

## **Directors' Report for the year ended 31st March 2000**

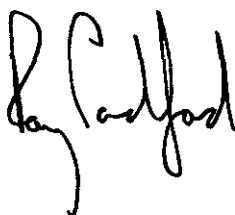
### **Auditors**

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 1st September 2000 and signed on its behalf by

**R Sandford FRICS**  
Secretary

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

## **Hastings Cottage Improvement Society Limited**

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

We have audited the financial statements on pages 4 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 6.

#### **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**

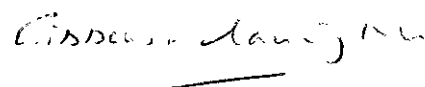
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 2000 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**

14.09.02

# Hastings Cottage Improvement Society Limited

## Profit and Loss Account for the year ended 31st March 2000

		2000	1999
	Notes	£	£
<b>Turnover</b>	<b>2</b>	185,053	180,693
Distribution costs		(95,786)	(72,154)
Administrative expenses		(32,236)	(29,919)
<b>Operating profit</b>	<b>3</b>	57,031	78,620
Interest receivable and similar income		824	129
Interest payable and similar charges	<b>4</b>	(4,833)	(6,485)
<b>Profit on ordinary activities before taxation</b>		53,022	72,264
Tax on profit on ordinary activities	<b>7</b>	(10,085)	(14,107)
<b>Profit on ordinary activities after taxation</b>		42,937	58,157
Dividends		(15,000)	(12,000)
<b>Retained profit for the year</b>		27,937	46,157
Retained profit brought forward		253,305	207,148
<b>Retained profit carried forward</b>		281,242	253,305
<b>Statement of total recognised gains and losses</b>			
<b>Profit on ordinary activities after taxation</b>		42,937	58,157
Unrealised movement on revaluation of property		-	387,253
<b>Total recognised gains relating to the year</b>		42,937	445,410

The notes on pages 6 to 10 form an integral part of these financial statements.


# Hastings Cottage Improvement Society Limited

## Balance Sheet as at 31st March 2000

	Notes	2000		1999	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	8		1,162,021		1,162,028
<b>Current Assets</b>					
Debtors	9	28,669		13,479	
Cash at bank and in hand		33,656		27,559	
		<u>62,325</u>		<u>41,038</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(78,714)</u>		<u>(85,371)</u>	
<b>Net Current Liabilities</b>			<u>(16,389)</u>		<u>(44,333)</u>
<b>Total Assets Less Current Liabilities</b>			<u>1,145,632</u>		<u>1,117,695</u>
<b>Capital and Reserves</b>					
Called up share capital	11		15,000		15,000
Revaluation reserve	12		849,390		849,390
Profit and loss account	12		281,242		253,305
<b>Shareholders' Funds</b>			<u>1,145,632</u>		<u>1,117,695</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 1st September 2000 and signed on its behalf by

  
M. A. Lester  
Director

The notes on pages 6 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 2000

### 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 method

Investment properties were revalued on 21 May 1999 as at 31 March 1999. The directors consider that there was no significant alteration in the valuation of the properties concerned between the above dates. The directors will consider a further revaluation within three 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

Operating profit is stated after charging:  
Depreciation of tangible assets

2000	1999
£	£
7	9
<u>7</u>	<u>9</u>

### 4. Interest payable and similar charges

On loans and overdrafts

2000	1999
£	£
4,833	6,485
<u>4,833</u>	<u>6,485</u>

# Hastings Cottage Improvement Society Limited

## Notes to the Financial Statements for the year ended 31st March 2000

..... continued

### 5. Directors' emoluments

	2000	1999
	£	£
Remuneration and other benefits	<u>16,066</u>	<u>12,020</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	1	1

### 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 £5,041 (1999 - £1,270).

### 7. Taxation

	2000	1999
	£	£
<b>UK current year taxation</b>		
UK Corporation Tax	<u>10,085</u>	<u>14,107</u>

If provision were to be made for deferred tax on the basis of the full potential liability from the revaluation of freehold properties, the tax charge for the year would increase by £98,124 (1999 - £98,796).

# Hastings Cottage Improvement Society Limited

## Notes to the Financial Statements for the year ended 31st March 2000

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### 8. Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Total
	£	£	£
<b>Cost/revaluation</b>			
At 1st April 1999			
At 31st March 2000	1,162,000	753	1,162,753
<b>Depreciation</b>			
At 1st April 1999	-	725	725
Charge for the year	-	7	7
At 31st March 2000	-	732	732
<b>Net book values</b>			
At 31st March 2000	1,162,000	21	1,162,021
At 31st March 1999	1,162,000	28	1,162,028

The 1999 valuation was made on 31 March 1999 by Messrs W A Bryan & Co, Chartered Surveyors and Valuers on an open market value for existing use basis.

### 9. Debtors

	2000 £	1999 £
Trade debtors	26,624	11,622
Prepayments and accrued income	2,045	1,857
	<u>28,669</u>	<u>13,479</u>

# Hastings Cottage Improvement Society Limited

## Notes to the Financial Statements for the year ended 31st March 2000

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10. Creditors: amounts falling due within one year	2000 £	1999 £
Bank loan	51,164	59,057
Corporation tax	10,085	11,707
Accruals and deferred income	2,465	2,607
Proposed dividend	15,000	12,000
	<u>78,714</u>	<u>85,371</u>

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

11. Share capital	2000 £	1999 £
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 1999	849,390	253,305	1,102,695
Retained profit for the year		27,937	27,937
At 31st March 2000	<u>849,390</u>	<u>281,242</u>	<u>1,130,632</u>

### 13. Capital commitments

The board of directors has authorised refurbishment work on existing freehold investment properties at a cost of approximately £73,000, subject to the receipt of grant aid (1999 £17,500). Tenders have been accepted for this work (1999 £4,800).

### 14. Contingent liabilities

There is a contingent liability for repayment of local authority grants if the properties were sold within a period after receipt of the grant amounting to £1,593 (1999 - £1593).

# Hastings Cottage Improvement Society Limited

## Notes to the Financial Statements for the year ended 31st March 2000

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### 15. 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 £30,465 from Mr R Sandford FRICS practising as W A Bryan & Co., Chartered Surveyors. These comprise of the following:

	2000 £
Management fees	22,468
Insurance premiums paid gross to cover all the Society's freehold investment properties	5,211
Supervision of major repairs	1,786
Office rent	1,000
	<u>30,465</u>

All goods and services were supplied at market value. The revaluation of the freehold investment properties was carried out in May 1999 by R Sandford FRICS practicing as W A Bryan & Co. As stated above Mr Sandford is a director and secretary of the company.

### 16. Related party transactions

There were no related party transactions during the year (31st March 1999 - £NIL).

### 17. Ultimate parent undertaking

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