

**FALCONHURST
RESIDENTS ASSOCIATION LTD**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
24TH DECEMBER 2000**



**PRIDIE BREWSTER
CHARTERED ACCOUNTANTS**
29-39 LONDON ROAD
TWICKENHAM
MIDDLESEX TW1 3SZ

28 March 2001

COMPANY INFORMATION

DIRECTORS

M. Moss
A.F. Barnes
J.C. Andrews
D C Kille

COMPANY SECRETARY

M. Moss

REGISTERED OFFICE

69 Victoria Road
Surbiton
Surrey KT6 4NX

REGISTERED NO.

839155

AUDITORS

Pridie Brewster
29-39 London Road
Twickenham
Middlesex TW1 3SZ

PRINCIPAL BANKER

National Westminster Bank plc
10 Victoria Road
Surbiton
Surrey KT6 4JY

REPORT OF THE DIRECTORS

FINANCIAL STATEMENTS

The directors present their report and the financial statements for the year ended 24th December 2000.

PRINCIPAL ACTIVITY

The principal activity is to supervise the management of the property at Falconhurst for the mutual benefit of the Leaseholders.

DIRECTORS

The directors in office during the year are listed on page 1.

DIRECTORS' INTERESTS

In respect of the Directors at the Balance Sheet date, their interests in the share capital of the company both at the beginning and end of the year as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:-

	Ordinary shares of £10 each	
	24th December 2000	25th December 1999
M. Moss	1	1
A.F. Barnes	1	1
J.C. Andrews	1	1
D C Kille	1	1

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 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:

- a] select suitable accounting policies and then apply them consistently;
- b] make judgements and estimates that are reasonable and prudent;
- c] prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES (continued)

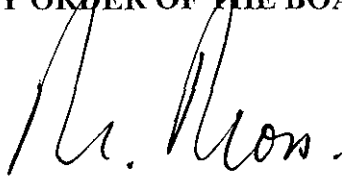
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The Company is entitled to audit exemption under Section 249A(1) of the Companies Act 1985 although the financial statements have been audited.

The auditors, Pridie Brewster, Chartered Accountants, are willing to continue in office, and a motion for their re-appointment will be put before the Annual General Meeting.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'M. Moss', is written over a horizontal dotted line.

M. MOSS - DIRECTOR AND COMPANY SECRETARY

28 March 2001

**AUDITORS' REPORT TO THE MEMBERS OF FALCONHURST
RESIDENTS ASSOCIATION LIMITED**

We have audited the accounts on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2, 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 accounts and to report our opinion to you.

Basis of opinion

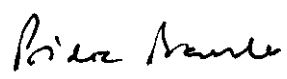
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by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

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 24th December 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

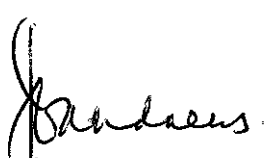
29-39 London Road
Twickenham
Middlesex TW1 3SZ


PRIDIE BREWSTER
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

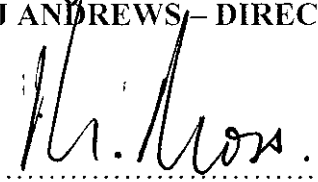
28 March 2001

BALANCE SHEET AT 24 DECEMBER 2000

	NOTE	2000	1999
FIXED ASSETS			
TANGIBLE ASSETS			
Freehold interest in 1-30 Falconhurst 10 The Crescent, Surbiton. Surrey		1	79,840
CURRENT ASSETS			
Debtors	2	4,785	4,354
Cash at bank		36,954	31,223
		41,739	35,577
CREDITORS: amounts falling due within one year	3	3,225	3,370
NET CURRENT ASSETS		38,514	32,207
TOTAL ASSETS LESS CURRENT LIABILITIES		38,515	112,047
CREDITORS: amounts due after one year	4	1,161	81,000
NET ASSETS		£37,354	£31,047
CAPITAL AND RESERVES			
Called up share capital	5	300	300
Income and expenditure account	6	37,054	30,747
EQUITY SHAREHOLDERS FUNDS	7	£37,354	£31,047



 J ANDREWS - DIRECTOR



 M MOSS - DIRECTOR

28 March 2001

INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 24 DECEMBER 2000

	NOTE	2000	1999
TURNOVER	8	22,905	22,814
EXPENDITURE		17,688	8,436
OPERATING SURPLUS		5,217	14,378
Interest receivable and Similar Income		1,245	1,306
Interest payable on Short Term Loan		-	-
Exceptional Item	11	-	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	8	6,462	15,684
Tax on surplus on ordinary activities	9	155	264
RETAINED SURPLUS FOR THE FINANCIAL YEAR	6	£6,307	£15,420

All Gains and Losses for the year arise from continuing operations and have been recognised in the revenue account.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 24 DECEMBER 2000

1. ACCOUNTING POLICIES

- a) The Accounts are prepared under the historical cost convention.
- b) The Accounts are prepared in accordance with applicable accounting standards.
- c) The Company qualifies as a small Company under the requirements of Financial Reporting Standard 1 and therefore does not have to produce a cash flow statement.

2. DEBTORS	2000	1999
Amounts due from lessees	1,368	1,351
Prepayments	3,417	3,003
	<u>£4,785</u>	<u>£4,354</u>
3. CREDITORS Amounts falling due within one year		
Service charges paid in advance	2,362	2,518
Accruals and deferred income	707	588
Corporation Tax	156	264
	<u>£3,225</u>	<u>£3,370</u>
4. CREDITORS Amounts falling due after one year		
Contributions from Lessees for purchase of Freehold which are not refundable in the foreseeable future (see note 11)	<u>£1,161</u>	<u>£81,000</u>
5. CALLED UP SHARE CAPITAL		
Authorised, Allotted, Called-up and Fully Paid 30 ordinary shares of £10 each	<u>£300</u>	<u>£300</u>
6. INCOME AND EXPENDITURE ACCOUNT		
At 25th December 1999	30,747	15,327
Surplus for the year	6,307	15,420
At 24th December 2000	<u>£37,054</u>	<u>£30,747</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 24 DECEMBER 2000 (continued)

7.	EQUITY SHAREHOLDERS' FUNDS	2000	1999
	Reconciliation of movement in shareholders' funds		
	Surplus for the financial year	6,307	15,420
	Opening shareholders' funds	31,047	15,627
		<hr/>	<hr/>
	Closing shareholders' funds	£37,354	£31,047
		<hr/>	<hr/>
8.	TURNOVER AND SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		
	The turnover and surplus on ordinary activities before taxation is attributable to the principal activity of the company.		
	Surplus is stated after charging		
	Auditors' remuneration	£587	£587
		<hr/>	<hr/>
9.	TAX ON SURPLUS ON ORDINARY ACTIVITIES		
	The Company is a mutual trading company within the definition of Section 486 I.C.T.A. 1988. There is no liability to tax on income other than investment income which is charged to Corporation Tax.		
	Corporation tax on investment income at 20%/10% (1999 – 21%/20%)	£155	£264
		<hr/>	<hr/>
10.	TRANSACTIONS WITH RELATED PARTIES		
	In common with other members, each Director is a lessee of Falconhurst and a contributor to the running costs of the company.		
11.	EXCEPTIONAL ITEM		
	Amount written off the value of the Company's Freehold property	79,839	
	Less amount written off contribution received from lessees (note 4)	79,839	
		<hr/>	
		£NIL	
		<hr/>	

Following the grant of new 999 year Leases to each lessee, in the Directors' opinion, the value of the Company's interest in the Freehold has permanently reduced to £1. The asset has therefore been written down to this value and a corresponding amount has been written off the contributions received from lessees.

**DETAILED INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 24 DECEMBER 2000**

	2000	1999
INCOME		
Maintenance charges and service charges	21,665	21,631
Staircase service charge	637	583
Ground rents receivable	600	600
Assignment fees	3	-
	<hr/>	<hr/>
	22,905	22,814
 INTEREST RECEIVABLE		
Deposit account interest	1,245	1,306
	<hr/>	<hr/>
	24,150	24,120
 EXPENSES PER SCHEDULE		
Upkeep expenses	4,468	2,200
Office and general	13,220	6,236
	<hr/>	<hr/>
	17,688	8,436
 NET SURPLUS FOR THE YEAR	 £6,462 <hr/> <hr/>	 £15,684 <hr/> <hr/>

**SCHEDULE TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 24 DECEMBER 2000**

	2000	1999
UPKEEP EXPENSES		
Lighting	224	169
Repairs - see below	2,768	488
Gardening	24	135
Dustbin hire	205	205
Cleaning	1,247	1,203
	<hr/>	<hr/>
	£4,468	£2,200
	<hr/>	<hr/>

OFFICE AND GENERAL EXPENSES

Insurance	3,258	2,998
Company Administrative Expenses	542	476
Audit Fees	588	588
Management Fees	2,174	2,174
Legal and Professional Fees re New Leases	6,658	-
	<hr/>	<hr/>
	£13,220	£6,236
	<hr/>	<hr/>

REPAIRS

Drain Repairs – Costs Recovered	-	(311)
No Parking Signs	76	151
Roof	1,285	482
Glazing & Repairs	153	-
Plumbing Repair	72	-
Painting & Decorating	293	-
Lighting & Sundries	253	166
Upgrade Lightning Conductor & Maintenance	306	-
Clear Porches	129	-
Gate & Guard Rail	201	-
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	£2,768	£488
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