

ALVAHERNE LIMITED  
REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 29 SEPTEMBER 2001



PHILIP HUDSON & CO  
Chartered Accountants  
& Registered Auditors  
89 Chiswick High Road  
London W4 2EF

The Company's Incorporation No. is: 1487931

## Contents

	<u>Page</u>
Report of the directors	1 - 2
Accountants' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6 - 8
Detailed profit and loss account	9

## REPORT OF THE DIRECTORS

### ALVAHERNE LIMITED

The directors submit their report and the accounts for the year ended 29 September 2001.

#### Principal activity

The principal activity of the company in the year under review was that of property investment.

#### Results and dividends

The loss for the year is set out in the profit and loss account. No dividend for the year is proposed by the Directors.

#### Directors and their interests

The directors who have held office during the year and their beneficial interests in the company's issued ordinary share capital were as follows:

		Ordinary shares at £1 each	
		<u>2001</u>	<u>2000</u>
C Colvin	(Chairman)	5	5
J G Assumall		5	5
K Moodley		-	-
H Prescott		5	5
M Ludgate	(resigned 11/9/01)	-	5
T Friedman	(resigned 11/9/01)	-	-

At a meeting of directors on 16 October 2000, Ms C Colvin was appointed chairman of the board.

#### Directors' responsibilities

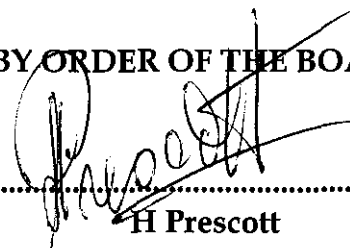
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts 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 accounts 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.

**REPORT OF THE DIRECTORS****ALVAHERNE LIMITED****(CONTINUED)****Small company provisions**

This report has been 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.


**BY ORDER OF THE BOARD**  
.....  
**H Prescott**  
**Director**

13 Eagle View  
Brackla  
Bridgend CF31 2NW

21 December 2001

ACCOUNTANTS REPORT TO THE SHAREHOLDERS  
OF ALVAHERNE LIMITED

As described on the balance sheet on page 5 the directors are responsible for the preparation of the accounts for the year ended 29 September 2001 set out on pages 4 to 8 and they consider that the company is exempt from an audit under the Companies Act 1985. In accordance with their instructions, we have compiled these unaudited accounts in order to assist them fulfil their statutory responsibilities, from the accounting records and information and explanations supplied to us.

*Philip Hudson* 

Philip Hudson & Co  
Chartered Accountants  
89 Chiswick High Road  
London W4 2EF

*27 February* 2002

**ALVAHERNE LIMITED****PROFIT AND LOSS ACCOUNT**      **FOR THE YEAR ENDED 29 SEPTEMBER 2001**

	<b><u>Notes</u></b>	<b><u>2001</u></b>	<b><u>2000</u></b>
Turnover	1(b)	510	510
Operating costs and administrative expenses		(2,940)	(4,147)
Operating loss		(2,430)	(3,637)
Interest receivable	(2)	1,296	2,637
Loss on ordinary activities before taxation	(3)	(1,134)	(1,000)
Taxation	(4)	-	20
Loss on ordinary activities after taxation		(1,134)	(1,020)
Dividends paid and proposed	(5)	-	(39,000)
Retained loss for the year	(9)	£ (1,134)	£ (40,020)
		=====	=====

**Continuing operations:**

None of the company's activities were acquired or discontinued during the above two financial years.

**Total recognised gains and losses:**

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The accompanying notes form an integral part of these accounts.

ALVAHERNE LIMITEDBALANCE SHEETAT 29 SEPTEMBER 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
<b><u>Current assets</u></b>			
Debtors and prepayments	(6)	5,417	5,066
Cash at bank and in hand		29,365	43,301
		<u>34,782</u>	<u>48,367</u>
<b>Creditors: amounts falling due within one year</b>	(7)	(4,946)	(17,397)
		<u>29,836</u>	<u>30,970</u>
<b>Net assets</b>		<u>£ 29,836</u> =====	<u>£ 30,970</u> =====
<b><u>Capital and reserves</u></b>			
Called up share capital	(8)	65	65
Profit and loss account	(9)	29,771	30,905
<b>Shareholders' funds</b>	(10)	<u>£ 29,836</u> =====	<u>£ 30,970</u> =====

In the director's opinion the company is entitled to the exemption from audit conferred by subsection 1 of section 249A of the Companies Act 1985 for the year ended 29 September 2001.

The directors confirm that no notice under Section 249B (2) of the Companies Act 1985 requiring an audit has been deposited by members.

The directors confirm that they are responsible for :

- ensuring that the company keeps accounting records which comply with the requirements of section 221 of the Companies Act 1985, and
- preparing accounts which give a true and fair view of the state of affairs of the company as at 29 September 2001 and of its results for the period then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

In preparing these accounts the directors have complied 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 accounts were approved by the board on 21 December 2001.

.....

C. Colvin  
Director

The accompanying notes form an integral part of these accounts.

ALVAHERNE LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 29 SEPTEMBER 2001**1. Accounting policies**

The principal accounting policies, which have been consistently applied, are:-

a) Basis of accounting

The accounts have been prepared under the historical cost convention subject to the revaluation of the freehold property and in accordance with the Financial Reporting Standard for Small Entities.

b) Turnover

Turnover, represents ground rents receivable from lessees.

c) Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard 1 from producing a cash flow statement on the grounds that it is a small company.

**2. Interest receivable**

	<u>2001</u>	<u>2000</u>
	£	£
Bank interest	1,296	2,268
Interest on Corporation Tax recovered	-	369
	<u>1,296</u>	<u>2,637</u>
	=====	=====

**3. Loss on ordinary activities before taxation**

	<u>2001</u>	<u>2000</u>
	£	£
The loss on ordinary activities is stated after charging:-		
Auditors' remuneration	NIL	822
Directors' remuneration	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
	=====	=====

**4. Taxation**

	<u>2001</u>	<u>2000</u>
	£	£
The taxation charge for the year comprises:-		
Under provision in prior years	£ -	£ 20
	<u>£ -</u>	<u>£ 20</u>
	=====	=====



ALVAHERNE LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 29 SEPTEMBER 2001(CONTINUED)5. Dividends

	<u>2001</u>	<u>2000</u>
Dividend paid 9 December 1999	-	36,000
Unclaimed 1999 dividend	-	3,000
	<u>£ -</u>	<u>£ 39,000</u>
	=====	=====

6. Debtors

	<u>2001</u>	<u>2000</u>
Due from associated company	442	-
Corporation tax recoverable	4,791	4,791
Other debtors	204	275
	<u>£ 5,417</u>	<u>£ 5,066</u>
	=====	=====

7. Creditors falling due within one year

	<u>2001</u>	<u>2000</u>
Accruals and deferred income	1,440	1,622
Due to associated company	-	524
Unclaimed dividends	2,000	14,000
Other creditors	1,506	1,251
	<u>£ 4,946</u>	<u>£ 17,397</u>
	=====	=====

**ALVAHERNE LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 29 SEPTEMBER 2001****(CONTINUED)****8. Share Capital**

	<u>2001</u>	<u>2000</u>
Ordinary shares of £1 each		
Authorised	£ 100	£ 100
	=====	=====
Allotted , called up and fully paid	£ 65	£ 65
	=====	=====

**9. Profit and loss account**

	<u>2001</u>	<u>2000</u>
Brought forward	30,905	70,925
Retained loss for the year	(1,134)	(40,020)
	=====	=====
Carried forward	£ 29,771	£ 30,905
	=====	=====

**10. Reconciliation of movement on shareholders funds**

	<u>2001</u>	<u>2000</u>
Loss for the year after taxation	(1,134)	(1,020)
Dividends paid and unclaimed	-	(39,000)
Shareholders funds at beginning of year	30,970	70,990
	=====	=====
Shareholders' funds at end of year	£ 29,836	£ 30,970
	=====	=====

**11. Property investment**

The company owns the freehold interest in blocks E & F Townshend Court, Allitsen Road, London NW8, comprising 20 flats. Long leases have been granted on 17 of the flats and 3 flats are subject to short leases which expire in March 2034.

The directors consider the value of the company's interest in the flats subject to short leases to be not less than £120,000 under present market conditions.