

COMPANY NO. 2542553

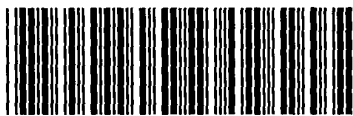
**3A PALACE GREEN LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

THURSDAY



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COMPANIES HOUSE

P R Hartley  
Chartered Accountant  
PO Box 27075  
LONDON N2 0FZ

3A PALACE GREEN LIMITED

**DIRECTORS**

Mrs PL Frost  
Dr N Nikbakht  
Mr N Meyohas  
Ms AS Tomsett

**SECRETARY**

Carter Backer Winter Trustees Limited

**REGISTERED OFFICE**

3A Palace Green  
Kensington Palace Gardens  
LONDON  
W8 4TR

**AUDITOR**

P R Hartley  
Chartered Accountant  
PO Box 27075  
LONDON N2 0FZ

**MANAGING AGENT**

Aspect Property Management Co. Limited  
The Old Pump House  
84 Albert Hall Mansions  
Kensington Gore  
London  
SW7 2AQ

3A PALACE GREEN LIMITED

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**FOR THE YEAR ENDED 31 MARCH 2015**

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## **REPORT OF THE DIRECTORS**

The Directors present their report and the financial statements of the Company for the year ended 31 March 2015.

## **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company is engaged solely in the management of the block of apartments known as 3A Palace Green, Kensington Palace Gardens, London W8.

All expenditure relating to the maintenance of the common parts, in accordance with the terms of their leases, is paid for through service charges levied on the leaseholders. The accumulated surplus of service charges demanded and received from the residents over relevant expenditure, is held on trust for the residents in accordance with the provisions of the Landlord and Tenant Act 1987.

Aspect Property Management Company Ltd acted as managing agents for 3A Palace Green Limited during the year. The expenses, net of the contribution from the company, were lower than those for the previous year. Service charges levied on account for common expenditure amounted to £981,000. This resulted in a surplus of £56,788 over relevant expenditure leaving an accumulated surplus of £383,277.

## **DIRECTORS**

The directors who served during the period 1 April 2015 to the date of this report were as follows:

Mrs P L Frost  
Dr N Nikbakht  
Mr N Meyohas  
Ms AS Tomsett (resigned 13 April 2015)  
Mr FF Mahjoor (appointed 27 May 2015)

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

**3A PALACE GREEN LIMITED**  
**SMALL COMPANY RULES**

The director's report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

**AUDITOR**

P R Hartley was appointed auditor to the company and is willing to be reappointed in accordance with section 485 of the Companies Act 2006.

BY ORDER OF THE BOARD

Dr N Nikbakht  
DIRECTOR

Dated:

16.11.2015

A handwritten signature in black ink, appearing to read 'N. Nikbakht', followed by a long horizontal line extending to the right.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
3A PALACE GREEN LIMITED**

I have audited the financial statements of 3a Palace Green Limited for the year ended 31 March 2015 on pages 5 to 12. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

*Respective responsibilities of Directors and Auditor*

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board'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. In addition, I read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

*Opinion on the financial statements*

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the company as at 31 March 2015 and of its results 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 Companies Act 2006.

*Opinion on other matter prescribed by the Companies Act 2006*

In my opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

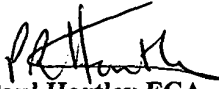
3A PALACE GREEN LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
3A PALACE GREEN LIMITED (continued)**

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by me; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all the information and explanations I require for my audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

  
**Paul Hartley FCA**  
**Statutory Auditor**  
**Owner**  
**PO Box 27075**  
**London**  
**N2 0FZ**

Date: 24 November 2015

**COMPANY INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

|  | Notes | 2015<br>£  | 2014<br>£  |
|--|-------|------------|------------|
| Ground rent due from residents   | 2     | 15,000     | 15,000     |
| Ground rent payable to Crown Estate  |       | (15,000)   | (15,000)   |
| Contribution to service charge relevant expenditure ( including management fees) |       | -          | -          |
| Operating Surplus before Tax   |       | -          | -          |
| Taxation   | 3     | -          | -          |
| Operating Surplus before Tax   |       | -          | -          |
| Profit and loss account balance brought forward                                  |       | -          | -          |
| Profit and loss account balance carried forward                                  |       | <u>NIL</u> | <u>NIL</u> |

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

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 9 to 12 form part of these financial statements.



3A PALACE GREEN LIMITED

**SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

|  |      | 2015           | 2014           |
|--|------|----------------|----------------|
|  | Note | Total<br>£     | Total<br>£     |
| SERVICE CHARGES RECEIVABLE                 | 2    | 981,000        | 922,500        |
| EXPENDITURE                                |      |                |                |
| Porterage and general manager              |      |                |                |
| Wages & salary                             |      | 340,330        | 342,656        |
| Private medical insurance                  |      | 17,707         | 16,317         |
| Pension scheme                             |      | 10,764         | 8,871          |
| Uniforms and cleaning                      |      | 6,617          | 5,856          |
| Other payments                             |      | 9,795          | 7,854          |
|  |      | 385,213        | 381,554        |
| Planned Building & Plant maintenance       |      | 53,640         | 46,387         |
| Air conditioning                           |      | 15,047         | 11,201         |
| General repairs & maintenance              |      | 33,772         | 39,229         |
| Lift expenses                              |      | 14,232         | 10,053         |
| Security systems & answerphone             |      | 3,148          | 9,391          |
| Maintenance of automatic gate              |      | 2,138          | 788            |
| Electricity (76.5% & 23.5%)                |      | 45,209         | 56,103         |
| Gas  |      | 36,272         | 39,583         |
| Garden maintenance                         |      | 30,573         | 18,197         |
| Telephones & fax                           |      | 4,283          | 3,518          |
| Window and sundry cleaning                 |      | 4,224          | 3,114          |
| Refuse removal                             |      | 226            | 213            |
| Health and safety testing                  |      | 660            | 5,202          |
| Satellite television and aerial            |      | 3,037          | 1,666          |
| Sundry expenses                            |      | 15,976         | 16,881         |
| Water charges                              |      | 14,214         | 8,966          |
| Insurances                                 |      | 68,815         | 63,621         |
| Interest receivable net of tax             | 3    | (768)          | (1,500)        |
| Legal and professional fees                |      | 8,023          | 7,390          |
| Audit and accountancy fees                 |      | 4,680          | 4,080          |
| Managing agent's fee                       |      | 15,000         | 15,000         |
| Crown estate charge                        |      | 166,598        | 155,391        |
| <b>Non-annual expenditure</b>              |      |                |                |
| Reception lobbies refurbishment            |      | 0              | 80,061         |
| Staff flat refurbishment                   |      | 0              | 16,468         |
| Legal & Professional fees – Planning works |      | 0              | 1,353          |
| New Video Entry System                     |      | 0              | 3,145          |
|  |      | 924,212        | 997,055        |
| Surplus/(Deficit) for year                 | 9    | 56,788         | (30,681)       |
| <b>TOTAL EXPENDITURE</b>                   |      | <b>981,000</b> | <b>922,500</b> |

3A PALACE GREEN LIMITED  
COMPANY BALANCE SHEET AS AT 31 MARCH 2015

|  | Note | 2015         | 2014         |
|--|------|--------------|--------------|
|  |      | £            | £            |
| FIXED ASSETS                                   |      |              |              |
| Tangible Assets                                | 5    | 1            | 1            |
| CURRENT ASSETS                                 |      |              |              |
| Debtors  | 6    | 20           | 20           |
| Cash at Bank and in Hand                       | 7    | 7,258        | 6,760        |
|  |      | <u>7,278</u> | <u>6,780</u> |
| CREDITORS: Amounts falling due within one year | 8    | (7,258)      | (6,760)      |
|  |      | <u></u>      | <u></u>      |
| NET CURRENT ASSETS                             |      | 20           | 20           |
|  |      | <u></u>      | <u></u>      |
| NET ASSETS                                     |      | 21           | 21           |
|  |      | <u></u>      | <u></u>      |
| CAPITAL AND RESERVES                           |      |              |              |
| Called up share capital                        | 11   | 21           | 21           |
|  |      | <u>21</u>    | <u>21</u>    |
|  |      | <u></u>      | <u></u>      |

The financial statements were approved  
by the board on 16 November 2015  
and signed on its behalf by

Dr N Nikbakht

..... Director

COMPANY NO. 2542553



The notes on pages 9 to 12 form part of these financial statements.

3A PALACE GREEN LIMITED

**SERVICE CHARGE ACCOUNT BALANCE SHEET AS AT 31 MARCH 2015**

|  | Note | 2015              | 2014              |
|--|------|-------------------|-------------------|
|  |      | £                 | £                 |
| <b>CURRENT ASSETS</b>                          |      |                   |                   |
| Debtors  | 6    | 71,586            | 65,480            |
| Cash at Bank and in Hand                       | 7    | 734,225           | 544,423           |
|  |      | <u>805,811</u>    | <u>609,903</u>    |
| CREDITORS: Amounts falling due within one year | 8    | (422,534)         | (283,414)         |
|  |      | <u>          </u> | <u>          </u> |
| NET CURRENT ASSETS                             |      | 383,277           | 326,489           |
| NET ASSETS                                     |      | <u>383,277</u>    | <u>326,489</u>    |
| <b>CAPITAL AND RESERVES</b>                    |      |                   |                   |
| Reserve fund for future expenditure            | 9    | <u>383,277</u>    | <u>326,489</u>    |

The notes on pages 9 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2015**

**1. *ACCOUNTING POLICIES***

**1.1 *BASIS OF ACCOUNTING***

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.2 *DEFERRED TAXATION***

Deferred taxation is recognised as a liability or asset if transactions or events that give the company an obligation to pay more tax or a right to pay less tax in the future have occurred by the balance sheet date in accordance with FRS 19.

**1.3 *RESERVE FUND FOR FUTURE EXPENDITURE***

The amounts held in the reserve fund are set aside in accordance with Clause 1.1.3 of the Fifth Schedule of the leases, as a provision for the future costs of maintenance and renewal, but should not be regarded as the sums required to meet future costs in full, but only as a contribution to such costs.

**1.4 *PENSIONS***

The company operates a defined contribution pension scheme for employees engaged in the management of the property. These contributions are invested separately from the company's assets. Pension contributions are charged to the service charge income and expenditure account as incurred.

**2. *STATEMENT OF SERVICE CHARGES***

A separate income and expenditure account and balance sheet have been prepared for 3A Palace Green Limited as owning the leasehold of and charging ground rent for the property at 3A Palace Green, Kensington Palace Gardens, London W8. Expenses incurred on the maintenance of the common parts of the property, variable service charges and other income are shown in a separate service charge income and expenditure account. A statement of monies held on trust for the leaseholders in accordance with the provisions of the Landlord and Tenant Act 1987 is included in Note 8 below.

**3. *TAXATION***

There is no corporation tax payable on the result for the year for the company (2014: no corporation tax payable). Tax is, however, payable on bank interest received on the surplus of service charges received over relevant expenditure if any, which under the Landlord and Tenant Act 1987 is held on trust for the residents. The rate attributable to trusts was 20% on interest receivable.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2015**

**4. EMPLOYEES INFORMATION-Service Charge**

The average number of persons employed by the company ( whose costs are expensed in the service charge accounts) during the year excluding directors was 12 (2014 – 12).

|                       | 2015           | 2014           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Staff costs           |                |                |
| Wages and salaries    | 311,840        | 313,386        |
| Social security costs | 28,490         | 29,270         |
| Pension costs         | 10,764         | 8,871          |
|                       | <u>351,094</u> | <u>351,527</u> |

The directors did not receive any remuneration in the year (2014: no remuneration).

**5 TANGIBLE FIXED ASSETS-Company**

|                            | 2015     | 2014     |
|----------------------------|----------|----------|
|                            | £        | £        |
| Leasehold property at cost | 1        | 1        |
|                            | <u>1</u> | <u>1</u> |

This represents a 99 year lease commencing 6 September 1991 and was assigned for £1 from Regalian Homes Limited. The unencumbered lease is held by the company solicitors. Freehold owners are the Crown Estate Commissioners.

**6. DEBTORS- Company**

|               | 2015      | 2014      |
|---------------|-----------|-----------|
|               | £         | £         |
| Other debtors | 20        | 20        |
|               | <u>20</u> | <u>20</u> |

**DEBTORS- Service Charge**

|                                | 2015          | 2014          |
|--------------------------------|---------------|---------------|
|                                | £             | £             |
| Due from company-3A Palace Ltd | 40            | 537           |
| Prepayments                    | 1,067         | 63,699        |
| Taxation                       | 70,479        | 1,244         |
|                                | <u>71,586</u> | <u>65,480</u> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2015**

**7. CASH AT BANK AND IN HAND-Company**

|               | 2015         | 2014         |
|---------------|--------------|--------------|
|               | £            | £            |
| Bank balances | 7,258        | 6,760        |
|               | <u>7,258</u> | <u>6,760</u> |

**CASH AT BANK AND IN HAND-Service Charge**

|               | 2015           | 2014           |
|---------------|----------------|----------------|
|               | £              | £              |
| Bank balances | 733,225        | 543,423        |
| Cash in hand  | 1,000          | 1,000          |
|               | <u>734,225</u> | <u>544,423</u> |

**8. CREDITORS-Company**

|                        | 2015         | 2014         |
|------------------------|--------------|--------------|
|                        | £            | £            |
| Due to lessees         | 7,218        | 6,223        |
| Service charge account | 40           | 537          |
|                        | <u>7,258</u> | <u>6,760</u> |

**CREDITORS-Service Charge**

|                     | 2015           | 2014           |
|---------------------|----------------|----------------|
|                     | £              | £              |
| Due to lessees      | 268,568        | 203,936        |
| Other Creditors     | 20             | 20             |
| Operating creditors | 85,659         | 10,105         |
| Accruals            | 68,287         | 69,353         |
|                     | <u>422,534</u> | <u>283,414</u> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2015**

**9. RESERVE FUNDS FOR FUTURE EXPENDITURE - Service Charge**

|   | 2015<br>Total<br>£ | 2014<br>Total<br>£ |
|---|--------------------|--------------------|
| Balance brought forward at 1 April 2014             | 326,489            | 401,044            |
| Transfer to/(from) reserve fund:<br>Service charges | 56,788             | (74,555)           |
| Balance carried forward at 31 March 2015            | <u>383,277</u>     | <u>326,489</u>     |

These amounts should not be regarded as sum required to meet future costs in full, but only as a contribution to such costs.

**10. BUILDING INSURANCE**

The property is insured with Aviva. The policy numbers are 23943426 CPO and the sum insured, £74,237,718 from 1 October 2014 to 30 September 2015.

**11. SHARE CAPITAL**

|  | 2015      | 2014      |
|--|-----------|-----------|
| Authorised, allotted, issued and fully paid: |           |           |
| 1 A Ordinary share of £1                     | 1         | 1         |
| 20 B Ordinary shares of £1                   | 20        | 20        |
|  | <u>21</u> | <u>21</u> |
|  | <u>21</u> | <u>21</u> |

A and B Ordinary shares carry equal voting rights.