

REPORT OF THE DIRECTORS

The Directors present their report and the accounts of the company for the period from 1st February 2000 to 31st January 2001.

Principal Activity

The company was incorporated on 12th January 1999

The principal activity of the company is the management and administration of property comprising Albemarle, 11 Marlborough Road, Bournemouth, for the benefit of the leaseholders who are shareholders of the company.

Directors and their interests in the shares of the company

The directors who held office during the period and their interests in the shares of the company were :-

		<u>Ordinary shares at £1 each</u>	
		<u>31 January 2001</u>	<u>31 January 2000</u>
M. Carol	(appointed 12/1/99)	1	1
R.A.Holland	(appointed 7/9/99)	1	1
N.J. Davidson	(resigned 28/2/2000)	-	1
D.R. Kennedy	(appointed 12/1/99)	1	1
P.M. Lewis	(appointed 12/1/99)	1	1
A.J.Miller	(appointed 12/1/99)	1	1
G. Narh	(appointed 28/2/2000)	1	-
H.R.Spiller	(appointed 12/1/99)	1	1

Small company exemptions

This report which has been prepared taking advantage of special exemptions applicable to small companies conferred by Part VII of the Companies Act 1985 was approved by the Board on 24th May 2001

Registered Office
5 Poole Road
Bournemouth
Dorset BH2 5QL.



A.J. Miller Secretary



INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD FROM
1st FEBRUARY 2000 to 31st JANUARY 2001

	<u>Note</u>	<u>2001</u>
TURNOVER	2	5,845
Administrative expenses	3	5,817
Bank interest receivable		<u>2</u>
Excess of Income over Expenditure before tax	4	30
Taxation		<u>5</u>
EXCESS FOR THE PERIOD		<u><u>£ 25</u></u>

Financial Reporting Standard No.3

The company made no recognised gains or losses in the period ended 31st January 2001 other than the deficit of expenditure over income for the period

STATEMENT OF RETAINED INCOME

	<u>2001</u>
Retained income brought forward	1,850
Excess of Income over Expenditure	<u>25</u>
Retained income carried forward	<u><u>£1,875</u></u>

ALBEMARLE FREEHOLD LTD BALANCE SHEET AT 31st JANUARY 2001

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	<u>Note</u>	<u>2001</u>
FIXED ASSETS		
Tangible assets	6	39,500
CURRENT ASSETS		
Debtors		0
Cash at bank and in hand		1,880
		<u>1,880</u>
CREDITORS: Amounts falling due within one year	7	5
NET CURRENT ASSETS		<u>£ 1,875</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		41,375
CREDITORS: Amounts due after more then one year	8	<u>4,500</u>
NET ASSETS		<u><u>£36,875</u></u>
CAPITAL AND RESERVES		
Called up share capital	9	7
Share premium account	10	34,993
Income and Expenditure account		<u>1,875</u>
SHAREHOLDER'S FUNDS	11	<u><u>£36,875</u></u>

Small Company Exemptions In the directors' opinion the company was entitled under section 249A (1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31st January 2001. No notice, from members requiring an audit, has been deposited under section 249B(2) of the Act.

The director acknowledges his responsibility for ensuring that the company keeps records which comply with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for each year in accordance with the requirements of Section 226 of the Act and which otherwise comply with its requirements to accounts, so far as applicable to the company.

Advantage is taken in the preparation of these financial statements of the special exemptions applicable to small companies conferred by Part VII of the Companies Act 1985. In the directors' opinion the company is entitled to those exemptions as a small company.

Approved by the Board on 24th May 2001

A. J. Miller
Director & Secretary

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st JANUARY 2001

1. PRINCIPAL ACCOUNTING POLICIES(a) Convention

The accounts are prepared in accordance with the historical cost convention.

(b) Turnover

Turnover comprises charges levied on the leaseholders to cover the costs of maintaining the property

(c) Interest receivable and payable

Interest received and paid is taken to the profit and loss account in the financial year to which it relates

(d) Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company

2. TURNOVER

	<u>2001</u>
Maintenance charges	5,820
Ground Rent	25
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	£5,845
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3. ADMINISTRATIVE EXPENSES

	<u>2001</u>
Insurance	1299
Electricity	106
Building maintenance	1811
Garden maintenance	1594
Cleaning	451
Window cleaning	320
Sundry expenses	236
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	£5,817
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4. INCOME AND EXPENDITURE ARISING ON ORDINARY ACTIVITIES BEFORE TAXATION.

Income and expenditure on ordinary activities is arrived at after charging:

Directors' remuneration	£0.
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5. TAXATION

No corporation tax is payable by the company on its ordinary activities, although tax is due on deposit interest received. Interest is shown gross in the accounts, with tax arising thereon shown as part of the tax charge for the period. Corporation tax is also payable on the ground rent received.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st JANUARY 20016. FIXED ASSETS

The company owns the underlying freehold title to land and buildings comprising eight freehold flats. Seven of the leaseholders are directors and shareholders of the company.

Freehold property

Cost at 31st January 2001	<u>£39,500</u>
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No depreciation is charged on the cost of the freehold building. The directors consider that this would be misleading. If depreciation had been applied this would have resulted in an annual write off of approximately £700

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR 2001

Corporation tax payable	0
Accrued expenses (Inland Revenue)	5
	<u>£5</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR 2001

Director's Loans	3,000
Other Loan	1,500
	<u>£4,500</u>

9. CALLED UP SHARE CAPITAL 2001

Authorised8 Ordinary shares of £1 each	<u>£8</u>
Allotted, Issued and Fully Paid.....7 Ordinary shares of £1 each	<u>£7</u>

10. SHARE PREMIUM ACCOUNT

The premium arose on the issue of shares for an amount in excess of nominal value in order to fund the purchase of the freehold property

11. RECONCILIATION OF SHAREHOLDERS' FUNDS 2001

Opening shareholders funds	36,850
Excess of Income over Expenditure	25
	<u>£36,875</u>
Closing shareholders' funds	<u>£36,875</u>