

Stratone Court Management Ltd

Financial Statements for the year ended

30 June 2006

Company Number 02105771

Stratone Court Management Ltd

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2006

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STRATONE COURT MANAGEMENT LTD

REPORT OF THE DIRECTORS

YEAR ENDED 30TH JUNE 2006

The Directors submit their report together with the financial statements for the year ended 30th June 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Principal activities

The principal activities of the company are to manage, maintain and administer the land and buildings at Azelin Court, Stratone Village, Stratton St. Margaret, Swindon with a commitment to purchase the freehold. The company operates under the terms of a 999 year lease agreement entered into between the company, the freeholder and its shareholders as leaseholders.

Business review

Service charges for leaseholders for the year to 30 June 2006 were set at £347.74 (2005 - £310.03) payable in advance or by 10 monthly instalments. The Service Charge excludes the £50 (2005 - £50) ground rent due to the freeholder Freehold Portfolios GR Ltd.

During the year work on repairing a collapsed drain costing £1,128 was completed. The directors instructed the company's managing agents, CPM Asset Management that no further Health & Safety reports, insurance valuations or 24 emergency memberships as undertaken by CPM in 2005, were required. The owners received no practical benefit from these services and it was felt that the money would be better spent on maintenance of the Close. During the year the company made a profit of £2,498 (2005 - loss £3,664), this was transferred to the company's reserves. The improvement in the company's finances follows lower overheads in 2006. 2005 had included £4,530 spent re-staining and painting the external woodwork.

At a board meeting held on 5 July 2006 the directors agreed the service charge for the 9 month period year to 31 March 2007 at £292.50 per property. Despite this the directors were disappointed to find that CPM Asset Management wrote to owners demanding a higher Service Charge. As a consequence various meetings were called and at the Annual General Meeting on 28 September 2006 owners expressed their dissatisfaction with CPM Asset Management for poor management and unanimously voted to dismiss them as Managing Agents. It was agreed that the directors should assume management responsibility.

The company changed its next year-end to 31 March 2007 in order to bring its year-end in line with the provisions in the lease.

AUDIT

The company has taken advantage of The Companies Act 1985 (Audit Exemptions) Regulations 1994 (SI 1994/1935).

DIVIDENDS

No dividends were paid or proposed during the year (2005 Nil)

RESERVES

The retained profit for the year taken to reserves was £2,498 (2005 - £3,664 loss taken from reserves).

STRATONE COURT MANAGEMENT LTD

REPORT OF THE DIRECTORS

YEAR ENDED 31TH JUNE 2006

DIRECTORS' INTERESTS

The directors who served during the year had the following interests in the shares of the company:

	30.06.06	30.06.05
N Fisher*	1	1
G Sumner	3	3

* Indicates director due to retire by rotation under the Articles of Association at the next Annual General Meeting.

STATEMENT OF 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD

John Morris FCMA
Company Secretary
13 November 2006

Registered Office:
c/o Nationwide Property Lettings
Queens House
College Court
Swindon
SN1 1PZ

Registered in England No: 01664985

www.azelincourt.co.uk

STRATONE COURT MANAGEMENT LTD			
Profit and Loss Account		2006	2005
For the year ended 30 June :-			
	Note	£	£
Turnover from continuing operations	2	12,519	<i>11,161</i>
Operating charges		(10,100)	<i>(14,928)</i>
Operating profit/(loss) from continuing operations		2,419	<i>(3,767)</i>
Interest receivable	7	79	<i>103</i>
Retained profit/(loss) transferred to/(from) reserves	8	2,498	<i>(3,664)</i>

There are no recognised gains or losses other than the profits for the years, as shown above and therefore, no separate statement of recognised gains and losses has been presented.

There is no material difference between the company results as reported and on an unmodified historical cost basis.

Accordingly, no note of historical cost profits and losses has been included.

STRATONE COURT MANAGEMENT LTD

Balance Sheet as at:-	Note	30th June 2006		31th June 2005	
		£	£	£	£
Current Assets					
Cash at Bank		2,312		3,150	
Debtors	3	4,373		3,684	
		6,685		6,834	
Creditors : Amounts falling due within one year	4	(2,517)		(5,164)	
Net Current Assets			4,168		1,670
Total Assets Less Current Liabilities			4,168		1,670
Capital and Reserves					
Called up Share Capital	5		360		360
Profit and Loss Account	8		3,808		1,310
Shareholders' Funds - equity interests			4,168		1,670

For the year to 30 June 2006 the company was entitled to the exemption conferred by subsection (1) of section 249A. of the Companies Act 1985. No notice has been deposited under subsection (2) of section 249B in relation to its accounts for the financial year.

The directors acknowledge their responsibilities for a) ensuring that the company keeps accounting records which comply with section 221 of The Companies Act 1985, and b) preparing accounts which give a fair and true view of the state of the company as at the end of the financial year and of its profit and loss for the year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the company.

Nicholas Fisher

Director

The financial statements were approved by the board of directors on 13 November 2006.

STRATONE COURT MANAGEMENT LTD

Cash flow statement	Note	2006	2005
		£	£
Net cash outflow from operating activities	9	(917)	(1,264)
Returns on investments and servicing of finance			
Interest received	7	79	103
Decrease in cash		(838)	(1,161)

STRATONE COURT MANAGEMENT LTD

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2006

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting convention.

2 TURNOVER

Turnover represents the amounts derived from the provision of services during the year, exclusive of value added tax.

	<u>2006</u>	<u>2005</u>
	£	£
Service Charges	<u>12,519</u>	<u>11,161</u>

3 DEBTORS

	<u>2006</u>	<u>2005</u>
	£	£
Trade Debtors (outstanding Service Charges)	1,510	1,122
Payments in advance (Managing Agent's fees)	0	472
Payments in advance (insurance premium)	2,863	2,090
	<u>4,373</u>	<u>3,684</u>

4 CREDITORS: Amounts falling due within one year

	<u>2006</u>	<u>2005</u>
	£	£
Accrued expenses	1,888	3,658
Service Charges received in advance	629	1,506
	<u>2,517</u>	<u>5,164</u>

5 SHARE CAPITAL

	<u>2006</u>	<u>2005</u>
	£	£
Authorised: ordinary shares of £10 each	360	360
<u>Allotted, called up and paid:</u> ordinary shares of £10 each	360	360

6 CONTROL

No one person controls the company.

7 INTEREST RECEIVABLE

	<u>2006</u>	<u>2005</u>
	£	£
Bank Interest	79	103

STRATONE COURT MANAGEMENT LTD

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2006

8 RECONCILIATION OF PROFIT AND LOSS RESERVES

	£
As at 1st July 2005	1,310
Retained profit for the financial year	<u>2,498</u>
As at 30 June 2006	<u><u>3,808</u></u>

The company do not currently operate Designated Reserve.

9. - 10. NOTES TO THE CASH FLOW STATEMENT

9 Reconciliation of operating profit to operating cash flows	<u>2006</u>	<u>2005</u>
	£	£
Operating profit/(loss)	2,419	(3,767)
(Increase)/Decrease in debtors (note 3)	(689)	2,471
(Decrease)/Increase in operating creditors (note 4)	(2,647)	32
Net cash outflow from operating activities	<u>(917)</u>	<u>(1,264)</u>

10 Analysis of changes in cash during the year.	<u>2006</u>	<u>2005</u>
	£	£
Balance brought forward	3,150	4,311
Net cash outflow	(838)	(1,161)
Balance at year-end	<u>2,312</u>	<u>3,150</u>

11 Detailed Profit & Loss	<u>2006</u>	<u>2005</u>
	£	£
Total Income (note 2)	12,519	11,161
Grounds maintenance	(2,789)	(3,351)
Communal Electricity	(208)	(349)
Insurance	(3,291)	(2,967)
Sundry	0	(116)
Lighting maintenance	(59)	0
Decoration - July 2004	0	(4,530)
Collapsed Drain - September 2005	(1,128)	0
Other maintenance	(195)	0
Maintenance:	<u>(1,323)</u>	<u>(4,530)</u>
Companies House fees	(30)	(15)
CPM Asset Management fees	(1,871)	(3,093)
Accountancy	(529)	(507)
Total Operating Charges	<u>(10,100)</u>	<u>(14,928)</u>
Operating profit	2,419	(3,767)
Add Interest received (note 7)	79	103
To General Reserves	<u><u>2,498</u></u>	<u><u>(3,664)</u></u>