

REVISOR

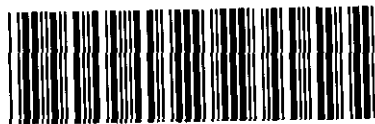
Company number 1491096

QUEENS COURT (NORTH) MANAGEMENT LIMITED
(A company limited by guarantee without a share capital)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25 MARCH 2006

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QUEENS COURT (NORTH) MANAGEMENT LIMITED
(A company limited by guarantee without a share capital)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2006

COUNCIL MEMBERS

JH Zamit
MA Pears
KR Persad
RL Jarman

SECRETARY

MDA Keidan

REGISTERED OFFICE

Ground Floor
30 City Road
London EC1Y 2AB

AUDITORS

Hale & Company, Chartered Accountants
14 Craufurd Rise
Maidenhead
Berkshire SL6 7LX

INDEX TO FINANCIAL STATEMENTS

Page No.

1 - 2	Council's Report
3	Auditors' Report
4 - 5	Profit and Loss Account
6	Statement of Total Recognised Gains and Losses
7	Balance Sheet
8 - 9	Notes to the Financial Statements

QUEENS' COURT (NORTH) MANAGEMENT LIMITED
(A company limited by guarantee without a share capital)

COUNCIL'S REPORT FOR THE YEAR ENDED 25 MARCH 2006

The Council has pleasure in presenting its report and financial statements for the year ended 25 March 2006.

COUNCIL MEMBERS' RESPONSIBILITIES

Company law requires the council members to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the council members are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The council members 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.

TRUE AND FAIR OVERRIDE

Amounts are transferred to and from a sinking fund for repairs. Whilst not in accordance with the Companies Act and certain accounting standards, this policy is in compliance with the company's constitution and various leases, and is necessary to give a true and fair view.

RESULTS

The income from service charges amounted to £396,604 (2005 £340,402) as shown on page 4.

The tax position of property management companies has been reviewed by the Inland Revenue in accordance with case law. To the extent that interest is earned on sinking fund money, tax is payable at the Trust rate of 34%.

The interest received on sinking fund deposit account amounted to £1,754 (2005 £4,616) after providing for corporation tax. This has been added to the sinking fund for deferred repairs. Gross interest received from the managing agent of £1,268 (2005 £1,302) has been utilised to defray expenses in the year.

REVIEW OF THE YEAR

The only activity for the company was the management of the property known as Queens Court (North), Queensway, London W2.

In accordance with Clause 52 of the Articles of Association, the company made neither a profit nor loss during the year, other than that mentioned above.

COUNCIL MEMBERS

None of the council members was beneficially interested in the company's activities during the year, except Mr JH Zamit who is a long leaseholder of Flat 148, Dr KR Persad who is a long leaseholder of Flat 65 and Mr RL Jarman who is a long leaseholder of Flat 81.

Qualifying third party indemnity provision for the benefit of the council members was in force during the financial year.

QUEENS COURT (NORTH) MANAGEMENT LIMITED
(A company limited by guarantee without a share capital)

COUNCIL'S REPORT FOR THE YEAR ENDED 25 MARCH 2006 - CONTINUED

AUDITORS

The auditors, Messrs Hale & Company, Chartered Accountants, are willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

STATEMENT OF DISCLOSURE TO AUDITOR

(a) So far as the council members are aware, there is no relevant audit information of which the companies auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as council members in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the council on 16 January 2007



R L Jarman
Director

QUEENS COURT (NORTH) MANAGEMENT LIMITED
(A company limited by guarantee without a share capital)

**AUDITORS' REPORT TO THE MEMBERS OF
QUEENS COURT (NORTH) MANAGEMENT LIMITED**

We have audited the financial statements of Queens Court (North) Management Limited on pages 4 to 6 and related notes for the year ended 25 March 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of council members and auditors

As described in the statement of council members' responsibilities on page 1, the company's council members are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and *International Standards on Auditing* (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the council members' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company (or their equivalents) is not disclosed.

We read the report by the members of the council and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with *International Standards on Auditing* (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the council members in the preparation of the financial statements, 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 financial statements 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 financial statements.

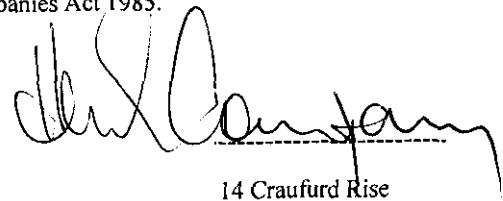
Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs at 25 March 2006 and of its results for the year then ended;
- the information given in the council members' report is consistent with the financial statements; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

HALE & COMPANY

Chartered Accountants
Registered Auditors



14 Craufurd Rise
Maidenhead
SL6 7LX

24 January 2007

QUEENS COURT (NORTH) MANAGEMENT LIMITED
(A company limited by guarantee without a share capital)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 25 MARCH 2006

	Notes	2006	2005
		£	£
SERVICE CHARGES	2	<u>396,604</u>	<u>340,402</u>
EXPENSES AND PROVISIONS			
Fuel (Note below)		55,149	32,310
Wages and national insurance contributions	3	90,370	87,225
Cleaning materials, pest control, etc		11,155	10,052
Electricity		11,880	9,243
Lift maintenance and repairs	8,109		21,603
<u>Less:</u> Charged to Sinking Fund		<u>-</u>	<u>(14,612)</u>
		8,109	6,991
Building maintenance and repairs	113,591		199,910
<u>Less:</u> Charged to Sinking Fund		<u>(85,322)</u>	<u>(173,972)</u>
		28,269	25,938
Boiler contract		421	2,074
Rental of entry phone		3,280	3,335
Hall & porters' telephone (less received)		578	627
Television and CCTV system		2,009	775
Hall plants		1,589	1,589
Porters' uniforms		720	632
Audit and accountancy fees		1,862	1,641
Rent and expenses of porter's flat etc		15,947	14,826
Council members insurance indemnity		1,326	1,591
Sundries		3,114	1,292
Building and engineering insurance		47,352	46,356
Management charge		43,757	42,770
		<u>326,887</u>	<u>289,267</u>
<u>Less:</u> Contribution by freeholder to entrance hall costs		<u>(125)</u>	<u>(122)</u>
		326,762	289,145
SUNDRY INCOME			
Interest on arrears	(3,890)		(2,441)
Interest on bank accounts	(1,268)		(1,302)
		<u>(5,158)</u>	<u>(3,743)</u>
		321,604	285,402
SINKING FUND PROVISIONS			
Lift replacement	-		10,000
Heating plant replacement	21,500		10,000
External painting/structure	50,000		30,000
Internal painting	2,500		-
General	1,000		5,000
		<u>75,000</u>	<u>55,000</u>
		<u>396,604</u>	<u>340,402</u>
SURPLUS FOR THE YEAR		<u>-</u>	<u>-</u>

Note

The charge for gas is based on actual invoices received and allowing for accrued known costs.
The actual fuel consumed was 2,889,546 kWh in 2005/6, compared with 2,709,057 kWh in 2004/05

QUEENS COURT (NORTH) MANAGEMENT LIMITED
(A company limited by guarantee without a share capital)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 25 MARCH 2006 - CONTINUED

	Notes	2006	2005
		£	£
Surplus for the year - from page 4		-	-
Interest received on sinking fund		<u>2,923</u>	<u>7,694</u>
Profit on ordinary activities before taxation		2,923	7,694
Tax on profit on ordinary activities	4	<u>(1,169)</u>	<u>(3,078)</u>
Profit on ordinary activities after taxation		1,754	4,616
Balance transferred to sinking fund		<u>(1,754)</u>	<u>(4,616)</u>
Retained profit for the year		-	-
Retained profit brought forward		<u>-</u>	<u>-</u>
Retained profit carried forward		<u><u>-</u></u>	<u><u>-</u></u>

The company has neither acquired nor commenced any new business activities in either 2006 or 2005.

There were no discontinued operations in either 2006 or 2005.

There are no recognised gains or losses for the period other than the profit or loss.

The notes on pages 8 to 9 form part of these financial statements

QUEENS COURT (NORTH) MANAGEMENT LIMITED

(A company limited by guarantee without a share capital)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 25 MARCH 2006**

	Notes	2006	2005
		£	£
Service charges for the year (net of amounts repayable)		396,604	340,402
Administrative expenses		(326,762)	(289,145)
Sinking fund expenditure (net of contribution)		(85,322)	(184,584)
Interest received (less tax paid)		4,385	8,359
Net movements		(11,095)	(124,968)
NET ASSETS AT 26 MARCH 2005		<u>111,949</u>	<u>236,917</u>
NET ASSETS AT 25 MARCH 2006		<u><u>100,854</u></u>	<u><u>111,949</u></u>

The notes on pages 8 to 9 form part of these financial statements

QUEENS COURT (NORTH) MANAGEMENT LIMITED

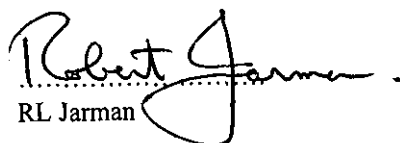
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BALANCE SHEET AT 25 MARCH 2006

	Notes	2006	2005
		£	£
CURRENT ASSETS			
Bank account		57,787	94,294
Debtors	5	158,787	126,601
Bank and cash held by managing agents		<u>27,019</u>	<u>11,341</u>
		243,593	232,236
CREDITORS			
Amounts falling due within one year	6	<u>(142,739)</u>	<u>(120,287)</u>
NET CURRENT ASSETS		<u>100,854</u>	<u>111,949</u>
Represented by:			
SINKING FUND FOR DEFERRED REPAIRS			
Balance at 26 March 2005		111,949	236,917
Received from Wm Pears Group - Gas contract		-	4,000
Corporation tax paid on interest		(2,527)	-
Expenditure in year - Boilers		-	-
Lift works		-	(14,612)
Roof works		-	-
External works including decorations	(85,322)	(163,867)	(163,867)
Internal		-	(10,105)
		<u>(85,322)</u>	<u>(188,584)</u>
Transfers from profit and loss account			
Net interest		1,754	4,616
Provisions		<u>75,000</u>	<u>55,000</u>
Balance at 25 March 2006		<u>100,854</u>	<u>111,949</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Council of Management on 16 January 2007 and signed on its behalf by:


RL Jarman

QUEENS COURT (NORTH) MANAGEMENT LIMITED

(A company limited by guarantee without a share capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2006**1 ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards, apart from FRS12, and under the historical cost convention.

Transfers are made to a Sinking Fund to provide for future maintenance and repairs and when such expenditure is actually incurred it is charged to the Sinking Fund. Whilst this is not in accordance with FRS12, this policy does comply with the Articles of Association.

2 SERVICE CHARGES

Service charges comprise:

	2006	2005
	£	£
1/4 year to 24 June 2005, demanded 25/12/04		
Being 1/4 of estimate for 2005 (1/4 x £348,000)	87,000	
Being 1/4 of estimate for 2004 (1/4 x £311,400)		77,850
1/2 year to 25 December 2005, demanded 24/6/05		
Being 1/2 of estimate for 2006 (1/2 x £393,900)	196,950	
Being 1/2 of estimate for 2005 (1/2 x £348,000)		174,000
1/2 year to 24 June 2006, demanded 25/12/05		
Being 1/2 of estimate for 2006 (1/2 x £393,900)	196,950	
Being 1/2 of estimate for 2005 (1/2 x £348,000)		174,000
	<u>480,900</u>	<u>425,850</u>
Less 1/4 year to 24 June 2006	(98,475)	-
Less 1/4 year to 24 June 2005	-	(87,000)
	<u>382,425</u>	<u>338,850</u>
Increase in costs of services demanded 24/6/05	<u>14,179</u>	<u>1,552</u>
Total	<u><u>396,604</u></u>	<u><u>340,402</u></u>

The proportion of service charges applicable to long leaseholders as at 25 March 2006 was 98.39% (2005 98.39 %) and the balance of 1.61% (2005 1.61%) was borne by William Pears Ltd.

The freehold of the block of flats of Queens Court North is held by Happy Badge Projects Ltd. William Pears Ltd owns a long leasehold interest of the whole of the residential area for a term expiring on 28 December 2082.

QUEENS COURT (NORTH) MANAGEMENT LIMITED

(A company limited by guarantee without a share capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2006**- CONTINUED****3 STAFF COSTS**

The cost of employing staff was:-

	2006	2005
	£	£
Wages	82,815	80,738
Social security costs	7,555	6,478
	<u>90,370</u>	<u>87,216</u>

The average weekly number of employees during the year was:

	2006	2005
Supervisor, porters and cleaners	<u>6</u>	<u>6</u>

No emoluments were paid to members of the Council of Management in either 2006 or 2005.

4 TAXATION

Corporation tax has been provided at the Trust rate of 40% (2005 40%) on the interest received on the sinking fund.

5 DEBTORS

	2006	2005
	£	£
Amounts due from long leaseholders	96,528	77,253
Other debtors	12,292	8,305
Prepayments	35,788	37,043
Deficit for year to be charged to leaseholders	14,179	-
Taxation	-	-
William Pears Ltd	-	4,000
	<u>158,787</u>	<u>126,601</u>

6 CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Amount billed in advance to long leaseholders	98,475	87,000
Accruals	42,405	29,190
Taxation	1,169	1,966
William Pears Ltd	259	1,125
Due to managing agents	431	1,006
	<u>142,739</u>	<u>120,287</u>