

PARK PLACE MANAGEMENT LIMITED

(COMPANY NUMBER: 00956958)

FINANCIAL STATEMENTS

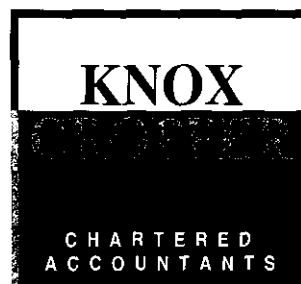
FOR THE YEAR ENDED 30TH JUNE 2001

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PARK PLACE MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and audited financial statements for the year ended 30th June 2001.

REVIEW OF THE BUSINESS

The company's principal activity during the year was the management of the property known as 19/20 Hyde Park Place, London W2 2LP. The directors do not foresee any changes in this activity.

RESULTS

The surplus for the year, after taxation, amounted to £11,598 (2000:£1,800 deficit). This has been added to reserves which now total £39,751. It should, however, be remembered by members that damp works are required to one flat and major lift repair works will have to be undertaken in the coming year.

DIRECTORS

i) 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 period. 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;
- 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 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.

ii) Interests

The directors during the year and their beneficial interests in the share capital of the company were as follows:

**Ordinary shares of £1 each
At 1st July 2000 and 30th June 2001**

A C Davis	1
Miss Corrinne Lewis	1
P Waite	3
J D Middleton	1

Mr A C Davis is a majority shareholder in PFD Garages Limited, which held 1 ordinary share in Park Place Management Limited at 30th June 2001.

PARK PLACE MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

(Continued)

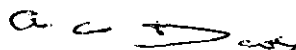
TAX STATUS

The company receives income from its members only. Consequently, a state of mutuality exists which results in this income being exempt from Corporation tax.

AUDITORS

A resolution to re-appoint Messrs Knox Cropper as auditors will be put to the members at the Annual General Meeting, in accordance with section 384 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'A C Davis', is positioned above the printed name of the Secretary.

**A C DAVIS
SECRETARY**

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**PARK PLACE MANAGEMENT LIMITED**

We have audited the financial statements of Park Place Management Limited for the year ended 30th June 2001 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Directors' 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 is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements made by the directors 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 of the state of the company's affairs as at 30th June 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

24 Petworth Road
Haslemere, Surrey

15th February 2002

Knox Cropper

Chartered Accountants
and Registered Auditors

PARK PLACE MANAGEMENT LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2001

		2001		2000	
	<u>Notes</u>	£	£	£	£
TURNOVER	2		57,478		55,793
Operating costs		40,523		52,999	
Administrative costs		6,380		5,681	
			46,903		58,680
OPERATING SURPLUS/(DEFICIT)	3		10,575		(2,887)
Interest receivable			1,106		1,122
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES			11,681		(1,765)
TAXATION	5		83		35
SURPLUS/(DEFICIT) AFTER TAXATION			11,598		(1,800)
Transfer to Dilapidations Reserve			-		-
SURPLUS/(DEFICIT) FOR THE YEAR	9		£ 11,598		£(1,800)

All recognised gains and losses are included in the Income and Expenditure Account and no separate Statement of Total Recognised Gains and Losses has therefore been prepared.

PARK PLACE MANAGEMENT LIMITED**BALANCE SHEET AT 30TH JUNE 2001**

		2001	2000
	<u>Notes</u>	£	£
EMPLOYMENT OF CAPITAL			
CURRENT ASSETS			
Debtors	6	852	1,472
Bank and cash balances		47,105	32,287
		<hr/>	<hr/>
		47,957	33,759
CREDITORS:			
Amounts falling due within one year	7	8,183	5,583
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 39,774	£ 28,176
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	8	23	23
Reserves	9	39,751	28,153
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	11	£ 39,774	£ 28,176
		<hr/>	<hr/>

The financial statements were approved by the board on 29th November 2001

A.C. Davis)
 A.C. DAVIS)
) DIRECTORS
C. Lewis)
 C. LEWIS)

PARK PLACE MANAGEMENT LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH JUNE 2001****1. ACCOUNTING POLICIES**

The more important accounting policies adopted by the company, which are consistent with those of the previous year are as follows:

- (a) The financial statements of the company have been prepared on the historical cost basis and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.
- (b) the company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.
- (c) Expenses are stated in the accounts inclusive of VAT.
- (d) Service charges are collected as necessary to pay for expenditure as budgeted and agreed by the members. Any deficit will be covered in due course by additional service charges being levied.

2. TURNOVER

Turnover represents the invoiced amounts of charges for services provided during the year to the tenants of flats in 19/20 Hyde Park Place, London W2 2LP.

	2001	2000
	£	£
3. OPERATING SURPLUS/(DEFICIT)		
This is stated after charging:		
Auditors' remuneration	1,704	1,645
Exceptional costs		
Replacement of hot water cylinders	-	6,137
Lift repairs	-	3,121
Works in eradicating dampness	-	3,976
	<hr/>	<hr/>

4. STAFF COSTS

Wages	17,208	18,293
Social Security costs	2,987	1,584
	<hr/>	<hr/>
	£ 20,195	£ 19,877
	<hr/>	<hr/>
	Number	Number
The average monthly number of employees during the year excluding directors was	1	1
	<hr/>	<hr/>

No director received any emoluments during the year.

PARK PLACE MANAGEMENT LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH JUNE 2001****(Continued)**

5.	TAXATION	2001	2000
		£	£
	Corporation tax at 10% (2000 : 20%)	110	224
	(Over)/underprovision prior year	(27)	(189)
		<hr/>	<hr/>
		£ 83	£ 35
		<hr/>	<hr/>
6.	DEBTORS		
	Service charges	852	852
	Other debtors	-	293
	Prepayments	-	327
		<hr/>	<hr/>
		£ 852	£ 1,472
		<hr/>	<hr/>
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Corporation tax	110	224
	Other taxes and Social Security costs	1,330	669
	Other creditors	2,000	2,000
	Accruals and deferred income	4,743	2,690
		<hr/>	<hr/>
		£ 8,183	£ 5,583
		<hr/>	<hr/>
8.	SHARE CAPITAL		
		Authorised	Allotted, called up and fully paid
		2001	2000
		£	£
	Ordinary shares of £1 each	£ 100	£ 23
		<hr/>	<hr/>
9.	RESERVES		
		Income and	Dilapidations
		Expenditure Account	Reserve
		£	£
	Balance brought forward	8,153	20,000
	Surplus for the year	11,598	-
	Transfer to Dilapidations Reserve	-	-
		<hr/>	<hr/>
	Balance carried forward	£ 19,751	£ 20,000
		<hr/>	<hr/>

PARK PLACE MANAGEMENT LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH JUNE 2001****(Continued)****10. RELATED PARTY TRANSACTIONS**

Mr A C Davis has a controlling interest in a company to which a sum of £2,000 was provided for management carried out during the year.

At 30th June 2001 £2,000 was owed to that company and that figure is shown in other creditors in note 7.

As described in the Report of the Directors on page 1, Mr Davis is a majority shareholder in a company which holds one ordinary share in Park Place Management Limited. That company, PFD Garages Limited, leases one of the flats at 19/20 Hyde Park Place and it pays service charges calculated in the same way as the other lessees.

Mr Davis also owns one ordinary share in his own name and again pays service charges calculated in the same way as the other lessees.

During the year, PFD Garages Limited carried out repair work to one flat and was paid £875 on normal commercial terms.

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Surplus/(deficit) for the year	11,598	(1,800)
Increase in Dilapidations Reserve	-	-
	<hr/>	<hr/>
Net addition to/(reduction in) Shareholders' Funds	11,598	(1,800)
Opening Shareholders' Funds	28,176	29,976
	<hr/>	<hr/>
Closing Shareholders' Funds	£ 39,774	£ 28,176
	<hr/>	<hr/>