

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2000**

**MICHAEL KAY
— & —
COMPANY**

REGISTERED NUMBER: 1215680



ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

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ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

**COMPANY INFORMATION
AT 31 DECEMBER 2000**

DIRECTORS

Dr R G Harrison
J R Hardwick
Mrs D Harrison
Mrs S Martin
A Stanton
N Stanton

SECRETARY

Mrs B Hallam

AUDITORS

Michael Kay & Company
Chartered Accountant
2 Water Court
Water Street
Birmingham
B3 1HP

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was the provision of management and services to the block of flats known as Anchor Watch Management at Salcombe, South Devon.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The directors do not anticipate that the introduction of the single European currency will have any significant impact upon the company's activities.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	1999
Dr R G Harrison		-	-
J R Hardwick	'A' Ordinary shares	60	60
Mrs D Harrison	'A' Ordinary shares	40	40
Mrs S Martin	'A' Ordinary shares	40	40
A Stanton		-	-
N Stanton		-	-

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 as at the end of the financial year 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 maintaining 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.

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

DIRECTORS' REPORT

AUDITORS

The auditors, Michael Kay & Company, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

The above 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 board:



J R Hardwick
Secretary

Date: 12 March 2000

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

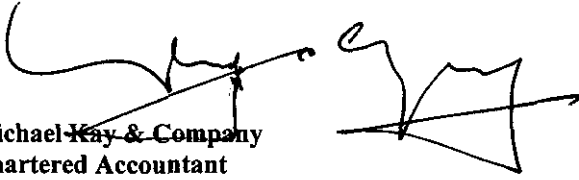
BASIS OF OPINION

We conducted our audit in accordance with 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 as to whether 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 affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Michael Kay & Company
Chartered Accountant
Registered Auditors
2 Water Court
Water Street
Birmingham
B3 1HP

Date: 12 March 2000

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
TURNOVER		3,740	3,400
Administrative expenses		2,927	2,559
OPERATING PROFIT	2	813	841
Investment income and interest receivable		7	17
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		820	858
Tax on interest received	3	-	(2)
PROFIT FOR THE FINANCIAL YEAR		820	856

Continuing operations

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

Total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 7 to 9 form part of these financial statements.

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED**BALANCE SHEET
AT 31 DECEMBER 2000**

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Investments	4		5,000		5,000
CURRENT ASSETS					
Cash at bank and in hand		1,649		805	
CREDITORS: amounts falling due within one year	5	(263)		(239)	
NET CURRENT ASSETS			1,386		566
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,386</u>		<u>5,566</u>
CAPITAL AND RESERVES					
Called up share capital	6		340		340
Share premium account	7		4,830		4,830
Profit and loss account	8		<u>1,216</u>		<u>396</u>
TOTAL SHAREHOLDERS' FUNDS	9		<u>6,386</u>		<u>5,566</u>

The 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 board of directors on 12 March 2000 and signed on its behalf by:



E W L Hallam
Director

The notes on pages 7 to 9 form part of these financial statements.

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

Turnover

Turnover represents service charges rendered during the year.

Investment properties

Investment properties are valued at their open market value at the balance sheet date. Any surplus on revaluation is transferred to the investment property revaluation reserve. Any deficit is deducted from the investment property revaluation reserve, except for permanent diminutions in value, which are charged to the profit and loss account.

No amortisation or depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to expiry, in accordance with Statement of Standard Accounting Practice 19: "Accounting for investment properties". This treatment is contrary to the requirements of the Companies Act 1985 to provide for depreciation but is considered necessary to ensure the financial statements give a true and fair view. Depreciation is only one of the factors reflected at the balance sheet date valuation and the amount that might otherwise have been shown cannot be separately identified or quantified.

2. OPERATING PROFIT

Operating profit is stated

After charging:

Auditors' remuneration

**2000
£**

**1999
£**

141

141

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge comprises:

Corporation tax at 20% (1999 - 21%)

Adjustment in respect of prior years

**2000
£**

**1999
£**

-

4

-

(2)

-

2

4. INVESTMENTS

Cost or valuation:

**Beginning and
end of year
£**

Other investments

5,000

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****4. INVESTMENTS - (continued)****Other investments other than loans**

	2000	1999
	£	£
Book value of investment properties	5,000	5,000

5. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Corporation tax	-	4
Accruals and deferred income	263	234
	<u>263</u>	<u>238</u>

6. SHARE CAPITAL

	2000	1999
	£	£
Authorised:		
Equity interests:		
340 'A' Ordinary shares of £1 each	340	340
200 'B' non-voting shares of 5p each	10	10
	<u>350</u>	<u>350</u>

Allotted, called up and fully paid:

Equity interests:		
340 'A' Ordinary shares of £1 each	340	340
2 'B' non-voting shares of 5p each	-	-
	<u>340</u>	<u>340</u>

7. SHARE PREMIUM ACCOUNT

	2000	1999
	£	£
Equity interests:		
Balance at beginning of year	4,830	4,830
Movements during the year	-	-
Balance at year end	<u>4,830</u>	<u>4,830</u>

8. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Retained profit / (Accumulated loss) as at 1 January 2000	396	(460)
Profit for the year	820	856
Retained profit as at 31 December 2000	<u>1,216</u>	<u>396</u>

ANCHOR WATCH MANAGEMENT (SALCOMBE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the year	820	857
Opening shareholders' funds	5,566	4,710
Closing shareholders' funds	<u>6,386</u>	<u>5,567</u>
Represented by:-		
Equity interests	<u>6,386</u>	<u>5,567</u>