

NETHERHALL RESIDENCES PLC

Report and Accounts

30 September 2000



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COMPANIES HOUSE

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Netherhall Residences plc

Registered No. 2845358

DIRECTORS

J Clark
A J Curtis

SECRETARY

A J Curtis

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

HSBC Bank plc
West End Business Banking Centre
2nd Floor
70 Pall Mall
London SW1Y 5EZ

SOLICITORS

Dechert
2 Serjeants' Inn
London EC4Y 1LT

REGISTERED OFFICE

18a Netherhall Gardens
London NW3 5TH

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 30 September 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company are the leasing and holding of residential properties which are then let on assured tenancies under the terms of the 1988 Housing Act.

REVIEW OF THE BUSINESS AND SUBSEQUENT EVENTS

The profit and loss account for the year is set out on page 5.

DIVIDEND AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend and the retained loss for the year of £36,805 (1999 - £53,423) has been transferred to reserves.

CREDITORS PAYMENT POLICY

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 30 September 2000, the company had an average of zero days purchases outstanding in trade creditors.

DIRECTORS

The directors of the company during the year were as follows:

A J Curtis

J Clark

The interests of the directors in the shares of the company at 30 September 2000 and 30 September 1999 were as follows:-

	2000		1999	
	<i>'A' ordinary shares of 50p each No.</i>	<i>Ordinary shares of 50p each No.</i>	<i>'A' ordinary shares of 50p each No.</i>	<i>Ordinary shares of 50p each No.</i>
J Clark	-	-	-	-
A J Curtis	1	-	1	-

Mr A J Curtis held his share on the date of his appointment as a director. This share is a non-beneficial interest held on behalf of Netherhall Educational Association.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be proposed at the Annual General Meeting.

By order of the board

Andrew Curtis

Secretary

26th April 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts;
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the shareholders of Netherhall Residences plc

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

Respective responsibilities of directors and auditors¹

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 September 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Registered Auditor
London

30 April 2001

Netherhall Residences plc

PROFIT AND LOSS ACCOUNT for the year ended 30 September 2000

	Notes	2000 £	1999 £
TURNOVER	1	130,073	119,756
Cost of sales		95,420	95,193
		<u>34,653</u>	<u>24,563</u>
Administrative expenses		71,458	79,310
		<u>(36,805)</u>	<u>(54,747)</u>
OPERATING LOSS	2	(36,805)	(54,747)
Interest receivable		-	1,324
		<u>(36,805)</u>	<u>(53,423)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(36,805)	(53,423)
Taxation	3	-	-
		<u>(36,805)</u>	<u>(53,423)</u>
RETAINED LOSS FOR THE YEAR		(36,805)	(53,423)

There were no gains or losses during the year apart from the loss of £36,805 shown above (1999 - £53,423).

Netherhall Residences plc

BALANCE SHEET

at 30 September 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	4	4,593,868	4,643,801
CURRENT ASSETS			
Debtors	5	55,138	36,774
Cash at bank and in hand		6,531	15,907
		61,669	52,681
CREDITORS: amounts falling due within one year	6	3,540	7,680
NET CURRENT ASSETS		58,129	45,001
TOTAL ASSETS LESS CURRENT LIABILITIES		4,651,997	4,688,802
CAPITAL AND RESERVES			
Called up share capital	7	2,500,001	2,500,001
Share premium account	8	2,205,425	2,205,425
Profit and loss account	8	(53,429)	(16,624)
		4,651,997	4,688,802

Andrew Curran

Director

26th April 2001

NOTES TO THE ACCOUNTS

at 30 September 2000

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the total amount receivable by the company in the ordinary course of business for rental income excluding value added tax. Turnover and pre-tax result are attributable to one continuing class of business in one geographical location in the UK.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Leasehold land and buildings - duration of the lease

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

2. OPERATING LOSS

This is stated after charging:

	2000	1999
	£	£
Depreciation	49,933	49,933
Auditors' remuneration	4,641	5,526
	<u> </u>	<u> </u>

No directors' remuneration was paid during the year.

3. TAXATION

	2000	1999
	£	£
Based on the loss for the year:		
Corporation tax	-	-
	<u> </u>	<u> </u>

Netherhall Residences plc

NOTES TO THE ACCOUNTS

at 30 September 2000

4. TANGIBLE FIXED ASSETS

	<i>Leasehold land and buildings</i>
	£
Cost:	
At 1 October 1999 and 30 September 2000	4,693,734
Depreciation:	
At 1 October 1999	49,933
Charge for year	49,933
At 30 September 2000	99,866
Net book value at 30 September 2000	4,593,868
Net book value at 1 October 1999	4,643,801

5. DEBTORS

	2000	1999
	£	£
Amount owed by parent undertaking	53,967	35,663
Amount owed by fellow subsidiary undertakings	1,171	1,111
	55,138	36,774

6. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Other creditors	540	-
Accruals and deferred income	3,000	7,481
Overprovision for corporation tax	-	199
	3,540	7,680

Netherhall Residences plc

NOTES TO THE ACCOUNTS

at 30 September 2000

7. SHARE CAPITAL

	2000 £	1999 £
<i>Authorised:</i>		
5,000,000 ordinary shares of 50p each	2,500,000	2,500,000
2 'A' ordinary shares of 50p each	1	1
	<u>2,500,001</u>	<u>2,500,001</u>
<i>Allotted, called up and fully paid:</i>		
5,000,000 ordinary shares of 50p each	2,500,000	2,500,000
2 'A' ordinary shares of 50p each	1	1
	<u>2,500,001</u>	<u>2,500,001</u>

The ordinary shares and 'A' ordinary shares rank *pari passu* in all respects except that the holders of the 'A' ordinary shares have the right jointly to appoint and remove one director who does not retire by rotation.

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Share premium account £	Profit and loss account £	Total £
At 1 October 1998	2,500,001	2,205,425	36,799	4,742,225
Loss for the year			(53,423)	(53,423)
At 30 September 1999	2,500,001	2,205,425	(16,624)	4,688,802
Loss for the year			(36,805)	(36,805)
At 30 September 2000	<u>2,500,001</u>	<u>2,205,425</u>	<u>(53,429)</u>	<u>4,651,997</u>

9. PARENT UNDERTAKING AND CONTROLLING PARTY

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Netherhall Educational Association, a company limited by guarantee. Copies of its group accounts, which include the company, are available from 18a Netherhall Gardens, London NW3 5TH.

The company has taken advantage of the exemption within FRS 8 not to disclose group transactions on the grounds that at least 90% of its voting rights are controlled within the group.