

**QUEENSWOOD GARDENS LIMITED**

**FINANCIAL STATEMENTS**

**for the year ended  
31st March 2007**

**Company number: 4473572**

**QUEENSWOOD GARDENS LIMITED****DIRECTORS' REPORT****for the period ended 31st March 2007**

**Directors:** E K Griffith (Secretary) T R G Murrill  
 R J Haswell (Treasurer) M J Thompson  
 G L Kerridge P A Thurman

The directors submit their report together with the financial statements for the year ended 31st March 2007.

**REVIEW OF THE BUSINESS**

The company was incorporated on 29th June 2002, its principal object being to acquire and hold the freehold of Queenswood Gardens, Wanstead, London E11 on behalf of the lessees.

The freehold was acquired on 29 March 2004 and the Founder Members were each granted 999 year leases.

During the year under review, two further lease extensions were granted to non-Founder members, who both became ordinary shareholders.

The Board is conscious of its duty to ensure that the company has sufficient funds to meet its running costs. The only regular source of income is that from ground rents on the unextended leases which are, in themselves, not enough to cover annual costs. As a result, the company is reliant upon the proceeds of future lease extensions to cover future costs.

Any funds from this source that the Board considers to be in excess of the company's foreseeable needs will be returned to members, initially by way of repayment of loans.

**DIRECTORS**

The directors who served during the year under review and their interests in the shares of the company, all beneficially held, were as follows:

	<b>Founder Shares of £1 each</b>	
	<b>At 31 March 2007 or date of resignation</b>	<b>At 1st April 2006 or on appointment</b>
E K Griffith	1	1
R J Haswell	1	1
G L Kerridge	1	1
P A Thurman	1	1
M J Thompson	1	1
S S Desai (resigned 7 August 2006)	1	1
J S McElarney (resigned 24 August 2006)	1	1

**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 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.

**AUDITORS**

A resolution will be put to the forthcoming annual general meeting that The Kings Mill Partnership, Chartered Accountants, be re-appointed as auditors for the ensuing year.

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

This report was approved by the board on 5th September 2007.

**Bob Haswell**                      **Griff Griffith**

**Directors**

**TO THE SHAREHOLDERS OF  
QUEENSWOOD GARDENS LIMITED**

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We have audited the financial statements of Queenswood Gardens Limited for the period ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of 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 accounts are free from material misstatements, 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 March 2007 and of its activities for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.

***The Kings Mill Partnership***

Chartered Accountants  
Registered Auditors

75 Park Lane  
Croydon  
Surrey  
CR9 1XS  
10th September 2007

## QUEENSWOOD GARDENS LIMITED

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2007**

	Note	2007 £	2006 £
Turnover	2	1,723	2,326
Administrative expenses		2,064	3,053
Net (loss) for the year.		<u>(341)</u>	<u>(727)</u>
Capital gains on lease extensions	2	30,438	8,469
Interest receivable		627	437
		<u>30,724</u>	<u>8,178</u>
Taxation		5,709	-
Retained Profit/(loss) for the year		<u>25,015</u>	<u>8,178</u>
Retained profits brought forward		13,573	5,394
Retained profits carried forward		<u>£38,588</u>	<u>£13,573</u>

There were no recognised gains and losses for the above two financial years other than those included in the profit and loss account.

**QUEENSWOOD GARDENS LIMITED****BALANCE SHEET**  
as at 31st March 2007

	Note	2007		2006	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	3		196,868		207,229
<b>CURRENT ASSETS</b>					
Debtors	4	1,698		2,230	
Cash held by managing agents		40		-	
Cash at bank		60,792		20,519	
		<u>62,530</u>		<u>22,749</u>	
<b>CREDITORS:</b> Amounts falling due within one year	5	<u>12,479</u>		<u>8,076</u>	
<b>NET CURRENT ASSETS</b>			50,051		14,673
			<u>£246,919</u>		<u>£221,902</u>
<b>CREDITORS:</b> amounts falling due after one year	6		208,213		208,213
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		118		116
Profit and loss account			38,588		13,573
			<u>£246,919</u>		<u>£221,902</u>

The financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the board on 5th September 2007.

*Bob Haswell*                      *Griff Griffith*

**Directors**

**QUEENSWOOD GARDENS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31st March 2007**

**1. ACCOUNTING POLICIES**

The following are the more important accounting policies adopted by the company:

**(a) Basis of Accounting**

The financial statements are prepared under the historical cost convention and in accordance with Accounting Standards

**(b) Fixed assets**

In accordance with those standards, the freehold of the estate is shown at original cost to the company, less that part of the cost attributable to leases which have been extended.

As and when lease extensions are granted, the equivalent proportion of the cost is deducted and is shown as a disposal.

Given that the residual value to the Company of an extended lease is nominal, once all of the leases have been extended, the cost in the Balance Sheet will be reduced to £1.

**(c) Depreciation**

No depreciation is provided on the company's freehold property as it is not considered to be a wasting asset

**(d) Deferred taxation**

Deferred taxation is provided in the financial statements on timing differences where a liability for such taxation is expected to arise in the foreseeable future.

**2. INCOME**

The company's normal source of income is from ground rents on leasehold properties.

It also has potential income from the sale of extended leases.

During the year, the company granted two lease extensions to non-Founder members.

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Proceeds from lease extensions	40,799	13,650
Costs	10,361	5,181
	<u>£30,438</u>	<u>£8,469</u>

**3. FIXED ASSETS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Freehold of Queenswood Gardens, Wanstead		
Cost brought forward	207,229	212,410
Additions in the year	-	-
	<u>207,229</u>	<u>212,410</u>
Less: Disposals in the year	10,361	5,181
As at 31 March 2007	<u>£196,868</u>	<u>£207,229</u>

## QUEENSWOOD GARDENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31st March 2007 (continued)**4. DEBTORS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Sundry debtors	958	1,268
Prepayments	740	962
	<u>£1,698</u>	<u>£2,230</u>

**5. CREDITORS: Amounts falling due within one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
UK Corporation tax @ 19%	5,709	-
Accruals	6,109	6,646
Other creditors	661	1,430
	<u>£12,479</u>	<u>£8,076</u>

**6. CREDITORS: Amounts falling due after one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Shareholders' loans	<u>208,213</u>	<u>208,213</u>

Shareholders' loans are unsecured and were contributed to provide sufficient funds for the purchase of the freehold as not all leaseholders participated. They are repayable at the discretion of the Board, subject to sufficient funds being available from future lease extensions.

**7. CALLED UP SHARE CAPITAL**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
116 Founder Shares of £1 each	116	116
42 Ordinary Shares of £1 each	42	42
	<u>£158</u>	<u>£158</u>
<b>Allotted, issued and fully paid</b>		
116 Founder Shares of £1 each	116	116
2 Ordinary Shares of £1 each	2	-
	<u>£118</u>	<u>£116</u>

**8. SHAREHOLDERS' FUNDS**

	<b>2007</b>	<b>2006</b>
Opening shareholders' funds	13,689	5,510
Issue of Ordinary Shares	2	-
Retained profit	25,015	8,178
Closing shareholders' funds	<u>38,706</u>	<u>13,689</u>

**QUEENSWOOD GARDENS LIMITED**

**DETAILED PROFIT AND LOSS ACCOUNT**  
**for the year ended 31st March 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Ground rent receivable	1,723	2,126
Administrative expenses		
Printing, postage & stationery	77	132
Bank charges	79	142
Insurance	1,029	1,050
Legal and professional fees	-	-
Audit and accountancy	1,410	1,175
AGM costs	103	489
Companies House and Data Protection fees	65	65
	<u>2,764</u>	<u>3,053</u>
Less: Recovered from lessees	700	200
	<u>2,064</u>	<u>2,853</u>
	<u>(£341)</u>	<u>(£727)</u>

This page does not form part of the statutory financial statements and is for the information of the directors only.