

MARINE PARADE MANAGEMENT LIMITED

Company Number 1119310

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

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JUSTICE & CO.
Chartered Accountants

MARINE PARADE MANAGEMENT LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present herewith their report together with the financial statements of the company for the year ended 31st December 2002.

Principal Activity

The principal activity of the company is the collection of service charges from the leaseholders of Fitzhardinge House, 84/85 Marine Parade, Brighton, and discharging from those funds the costs of common maintenance of the premises, on a non profit making basis.

Directors

The directors who served the company during the year and their interests in the ordinary share capital of the company were:

	<u>Ordinary Shares of £1 each</u>	
	<u>At 31.12.02</u>	<u>At 1.1.02</u>
Mrs. B. Findlay	1	1
Mrs.H. Nalecz	1	1
Mrs.L. Lester-George	1	1
Dr. M.A. Hooker	1	1
C.V. Webber	1	1
D.B. Stuart	1	1
A. Slater (resigned 10.4.02)	-	1
J. Hetherington	1	1
G. Chance	1	1
P. Clarke	1	1
S. Poznanski	1	1
D. Hardy	1	1
C. Sandland (appointed 10.4.02)	1	-

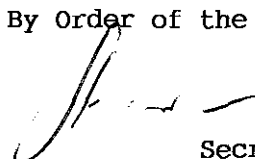
Auditors

Messrs. Justice & Co. have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

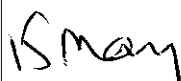
Small Company Rules

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

By Order of the Board



Secretary


 2003

MARINE PARADE MANAGEMENT LIMITEDDIRECTORS' RESPONSIBILITIES & REPORT OF THE AUDITORS**Statement of 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 and of the surplus or deficit of the company for that year.

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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

Independent Auditors' Report to the Shareholders of Marine Parade Management Limited

We have audited the financial statements of Marine Parade Management Limited for the year ended 31st December 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Maintenance Fund and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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.

It is our responsibility 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 (if any), and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

MARINE PARADE MANAGEMENT LIMITED

REPORT OF THE AUDITORS (continued)

Basis of audit opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations 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 31st December 2002 and of its results for the year then ended and have been properly in accordance with the provisions of the Companies Act 1985.

15 Darlington Close,
Bramley Green,
Angmering,
West Sussex,
BN16 4GS.

15th May 2003

Justice + Co

Chartered Accountants
and Registered Auditor

MARINE PARADE MANAGEMENT LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 2002

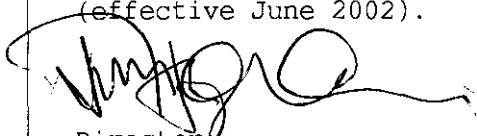
	<u>2002</u>		<u>2001</u>	
	£	£	£	£
Income				
Sundry Income		-		3
Expenditure				
Audit Fee	100		100	
Company Registration Fee	15		15	
		115		115
Operating (Deficit)		(115)		(112)
Bank Interest Received		-		-
(Deficit) for the Year, before taxation		(115)		(112)
Taxation		-		-
(Deficit) for the Year, after taxation		(115)		(112)
(Loss), brought forward		(169)		(57)
(Loss), carried forward		<u>£ (284)</u>		<u>£ (169)</u>

The company made no recognised surplus or deficit in 2002 or 2001 other than those shown above or in the Maintenance Fund (page 6).

MARINE PARADE MANAGEMENT LIMITEDBALANCE SHEETAS AT 31ST DECEMBER 2002

	<u>2002</u>		<u>2001</u>	
	£	£	£	£
Fixed Asset				
Freehold Property, at cost		9,800		9,800
Current Assets				
Service Charges Receivable	150		850	
Prepaid Expenditure	397		382	
Cash in Hand	582		-	
Cash at Bank	3,096		7,780	
	<u>4,225</u>		<u>9,012</u>	
Creditors: Amounts falling due within one year				
Maintenance Contributions received in advance	1,600		-	
Sundry Creditors	382		2,976	
	<u>1,982</u>		<u>2,976</u>	
Net Current Assets		2,243		6,036
Total Assets less Current Liabilities		<u>£ 12,043</u>		<u>£ 15,836</u>
Capital and Reserves				
Called Up Share Capital				
Ordinary Shares of £1 each:				
Authorised	£ 100		£ 100	
Allotted, Issued and Fully Paid		15		15
Share Premium Account (Note 3)		10,000		10,000
Profit and Loss Account		(284)		(169)
Shareholder's Funds		9,731		9,846
Maintenance Fund (Page 6)		2,312		5,990
		<u>£ 12,043</u>		<u>£ 15,836</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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).



Director

The financial statements were approved by the Board on

15 May 2003

MARINE PARADE MANAGEMENT LIMITEDMAINTENANCE FUND INCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>		<u>2001</u>	
	£	£	£	£
Income				
Service Charges Receivable		20,205		20,069
Expenditure				
Expenditure on Building				
Lighting and Power	186		450	
Cleaning	1,361		1,361	
Garden	1,260		2,145	
Building and Lift Insurance	5,248		3,229	
General Repairs	2,165		5,272	
Major Works to Property	9,377		-	
Supervision Fees on Repairs	632		597	
Lift - Service and Repairs	497		3,367	
Lift Telephone	192		-	
Entryphone Repair	446		1,157	
Fire Precautions	800		849	
Sundry Expenses and Write-Offs	-		165	
	<u>22,164</u>		<u>18,592</u>	
Other Expenditure				
Management Fees	1,410		1,410	
Accountancy Fees	200		200	
Bank Charges	109		95	
	<u>1,719</u>		<u>1,705</u>	
Total Expenditure		<u>23,883</u>		<u>20,297</u>
(Deficit) for the Year		<u>(3,678)</u>		<u>(228)</u>
Surplus brought forward		<u>5,990</u>		<u>6,218</u>
Surplus carried forward		<u>£ 2,312</u>		<u>£ 5,990</u>

MARINE PARADE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

1. Accounting Policies

(a) Basis of Accounting

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

(b) Depreciation

In accordance with the FRSSE, no depreciation is provided in respect of the freehold property. This may be a departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated. In the opinion of the directors this departure is necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards, as the property is included in the financial statements at its open market value.

2. Purchase of Freehold and Share Premium Account

The company purchased the freehold of 84/85 Marine Parade, Brighton, in January 1997.

In order to finance this purchase, the 14 shareholders made a contribution of £ 714 each and this contribution has been treated as a share premium.