COMPANY REGISTRATION NUMBER 1193321

19 MAY 2004

FORSYTE SHADES MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR

25 MARCH 2004



CARTER & COLEY
Chartered Accountants
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

FORSYTE SHADES MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 25 MARCH 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 25 March 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the management of the residential property known as Forsyte Shades

DIVIDENDS

Due to the nature of the company's activities, no dividends are payable by the company.

MARKET VALUE OF MANAGED PROPERTY

No professional valuation has been made of the freehold interest and the directors consider it would be misleading to venture an opinion as to the market value at the balance sheet date.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At **25 March 2004**	At 26 March 2003
Mrs N L Glass	Ordinary shares of £5	**1**	1
	"A" Ordinary shares of £1	**1,200**	1,200
Dr L P Green	Ordinary shares of £5	**1**	1
	"A" Ordinary shares of £1	**1,200**	1,200
Mr A Mott	Ordinary shares of £5	**1**	1
	"A" Ordinary shares of £1	**1,200**	1,200
Mrs V Wilkes	Ordinary shares of £5	**1**	1
	"A" Ordinary shares of £1	**1,200**	1,200
Mr J F Williams	Ordinary shares of £5	**1**	1
	"A" Ordinary shares of £1	**1,200**	1,200

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors

K M LYONS
Company Secretary

Approved by the directors on 27.07.04.

FORSYTE SHADES MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 25 MARCH 2004

	Note	2004 £	2003 £
INCOME		**111,777**	92,775
Property Expenses		**137,990**	113,477
OPERATING DEFICIENCY		**(26,213)**	(20,702)
Interest receivable		**662**	539
DEFICIENCY BEFORE TAXATION		**(25,551)**	(20,163)
Taxation	**2**	**225**	183
DEFICIENCY ON ORDINARY ACTIVITIES AFTER TAXATION		**(25,776)**	(20,346)
Balance brought forward		**(28,697)**	(26,150)
Levy collected re shortfall		**23,165**	17,799
Balance carried forward		**(31,308)**	(28,697)

The notes on page 4 to 5 form part of these financial statements.

FORSYTE SHADES MANAGEMENT COMPANY LIMITED

BALANCE SHEET

25 MARCH 2004

	Note	2004 £	2004 £	2003 £	2003 £
FIXED ASSETS					
Tangible assets	3		**25,740**		25,740
CURRENT ASSETS					
Debtors	4	**916**		1,204	
Cash at bank and in hand		**28,889**		45,474	
		29,805		46,678	
CREDITORS: Amounts falling due within one year	5	**16,839**		34,759	
NET CURRENT ASSETS			**12,966**		11,919
TOTAL ASSETS LESS CURRENT LIABILITIES			**38,706**		37,659
CAPITAL AND RESERVES					
Called-up equity share capital	7		**25,845**		25,845
Other reserves	8		**44,169**		40,511
Income and expenditure account			**(31,308)**		(28,697)
SHAREHOLDERS' FUNDS			**38,706**		37,659

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

(i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and

(ii) preparing financial statements 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 its surplus or deficiency for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

These financial statements were approved by the directors on the 23/07/04 and are signed on their behalf by:

4-5

The notes on page 3 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Fixed assets

All fixed assets are initially recorded at cost.

2. TAX ON INTEREST RECEIVED

	2004	2003
	£	£
Income tax at 34% (2003 - 34%)	225	183
	225	183

3. TANGIBLE FIXED ASSETS

	Freehold Property
	£
COST	
At 26 March 2003 and 25 March 2004	**25,740**
NET BOOK VALUE	
At 25 March 2004	**25,740**
At 25 March 2003	25,740

4. DEBTORS

	2004	2003
	£	£
Sundry debtors and prepayments	916	1,204

5. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Maintenance charges in advance	15,039	33,798
Sundry creditors	1,800	961
	16,839	34,759

6. RELATED PARTY TRANSACTIONS

The company was under the control of the members, who are also lessees.

The members contribute to the expenses of the company by the payment of maintenance charges. There were no other transactions with related parties such as are required to be disclosed under Financial Reporting Standard 8.

7. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
21 Ordinary shares of £5 each	**105**	105
26,595 "A" Ordinary non voting shares of £1 each	**26,595**	26,595
	26,700	26,700

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £5 each	**21**	**105**	21	105
"A" Ordinary non voting shares of £1 each	**25,740**	**25,740**	25,740	25,740
	25,761	**25,845**	25,761	25,845

8. OTHER RESERVES

	2004	2003
	£	£
Provision for major repairs:		
Balance brought forward	**40,511**	37,206
Transfer from the Income and Expenditure Account	**12,600**	12,600
Transfer to the Income and Expenditure Account	**(8,942)**	(9,295)
	44,169	40,511

FORSYTE SHADES MANAGEMENT COMPANY LIMITED

STATEMENT OF ESTATE MANAGEMENT AND MAINTENANCE COSTS

25 MARCH 2004

	2004		2003	
	£	£	£	£
PROPERTY EXPENSES				
Rates	**834**		728	
Water rates	**7,672**		7,612	
Electricity	**6,502**		6,178	
Insurance	**14,029**		11,464	
Repairs and maintenance	**37,309**		24,618	
Lift maintenance	**9,179**		4,300	
Caretakers wages	**17,274**		16,797	
Gardening	**5,505**		6,723	
Tree works	**3,613**		160	
Cleaning of premises	**738**		793	
Window cleaning	**3,323**		3,619	
Water softener	**775**		735	
Swimming pool maintenance	**5,727**		6,461	
Telephone	**732**		763	
Sundry expenses	**45**		85	
Management charges payable	**3,331**		3,000	
Legal and professional fees	**8,326**		6,383	
Accountancy fees	**476**		458	
Transfer to reserve	**12,600**		12,600	
		137,990		113,477
Bank interest receivable	**(662)**		(539)	
Taxation	**225**		183	
		(437)		(356)
Net Costs due for the year		**137,553**		113,121
INCOME				
Maintenance charges	**102,835**		79,670	
Special levy	**–**		3,810	
Transfer from reserve	**8,942**		9,295	
		111,777		92,775
DEFICIT FOR THE YEAR		**(25,776)**		(20,346)

FORSYTE SHADES MANAGEMENT COMPANY LIMITED

STATEMENT OF ESTATE MANAGEMENT AND MAINTENANCE COSTS

25 MARCH 2004

ACCOUNTANTS' REPORT

We certify that in accordance with Section 21(5) and (6) of the Landlord and Tenants Act 1985, in our opinion the foregoing is a fair summary of the costs expended and outgoings disbursed, incurred or provided for by the lessor for the year ended 25 March 2004 being sufficiently supported by accounts, receipts and other documents which have been produced to us.

CARTER & COLEY
Chartered Accountants

3 Durrant Road
Bournemouth
Dorset
BH2 6NE

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FORSYTE SHADES MANAGEMENT COMPANY LIMITED

SCHEDULE TO THE ACCOUNTS

YEAR ENDED 25 MARCH 2004

	2004		2003	
	£	£	£	£
Repairs and maintenance				
Drains / plumbing		**2,572**		1,166
Electrical		**1,498**		783
Satellite / aerial		**427**		3,810
Brickwork		**–**		256
Caretakers bungalow		**3,356**		273
Gull deterrent		**–**		881
Entryphone, locks and keys		**2,353**		430
Balcony works		**–**		13,454
Paths		**–**		499
Basement garages		**897**		–
Works to flat 2		**–**		909
Carpet		**1,480**		–
Rendering		**1,050**		–
Manhole covers		**425**		864
Water damage		**195**		–
Parapet wall		**2,082**		–
Decorating & materials		**1,930**		–
Entrance porch roof		**2,408**		–
Refurbish lobby		**2,576**		–
Lead trays		**13,159**		1,293
Windows		**728**		–
Sundry		**173**		–
		37,309		24,618
Sundry expenses				
Floral tribute		**–**		25
Annual return fee		**15**		15
Hall		**30**		45
		45		85
Sundry debtors and prepayments				
Lift maintenance		**916**		1,108
Entryphone repair		**–**		96
		916		1,204
Sundry creditors				
Accountancy fees		**476**		458
Taxation		**225**		185
Lift maintenance		**1,099**		–
Repairs		**–**		318
		1,800		961