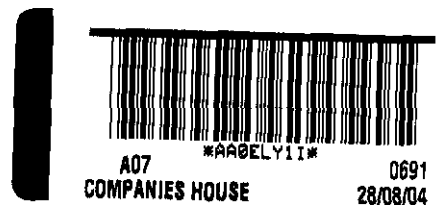


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**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2003
FOR
AVONSIDE LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2003**

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AVONSIDE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2003**

DIRECTORS:

M J Culverwell
P G Jolly
B R Keele
J D Pope

SECRETARY:

C Ironmonger

REGISTERED OFFICE:

3 Union Street
Stratford upon Avon
Warwickshire

REGISTERED NUMBER:

1524321 (England and Wales)

AUDITOR:

S L Taylor
Chartered Accountant & Registered Auditor
The Counting House
27 Hawthorn Way
Shipston on Stour
Warwickshire
CV36 4FD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2003**

The directors present their report with the financial statements of the company for the year ended 31 October 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property management.

DIRECTORS

The directors during the year under review were:

M J Culverwell
P G Jolly
B R Keele
J D Pope

The beneficial interests of the directors holding office on 31 October 2003 in the issued share capital of the company were as follows:

	31.10.03	1.11.02
Ordinary £1 shares		
M J Culverwell	1	1
P G Jolly	1	1
B R Keele	1	1
J D Pope	1	1

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 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 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 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.

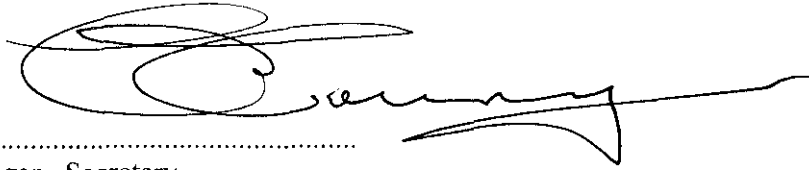
AUDITOR

The auditor, S L Taylor, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2003**

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'C Ironmonger', written over a dotted line.

.....
C Ironmonger - Secretary

Date: 19-01-04.....

**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF
AVONSIDE LIMITED**

I have audited the financial statements of Avonside Limited for the year ended 31 October 2003 on pages six to ten. 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and auditor

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if, in my opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

I read the Report of the Directors and consider the implications for my report if I become aware of any apparent misstatements within it.

Basis of audit opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF
AVONSIDE LIMITED**

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2003 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



S L Taylor
Chartered Accountant & Registered Auditor
The Counting House
27 Hawthorn Way
Shipston on Stour
Warwickshire
CV36 4FD

Date:19.1.04.....

AVONSIDE LIMITED

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003**

		<u>2003</u>	<u>2002</u>
	Notes	£	£
TURNOVER		-	-
Administrative expenses		<u>37,684</u>	<u>46,512</u>
		(37,684)	(46,512)
Other operating income		<u>37,502</u>	<u>50,262</u>
OPERATING (DEFICIT)/SURPLUS	2	(182)	3,750
Interest receivable and similar income		<u>227</u>	<u>313</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		45	4,063
Tax on surplus on ordinary activities	3	<u>45</u>	<u>63</u>
SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION		-	4,000
Transfer to Reserve Fund		<u>-</u>	<u>(4,000)</u>
RETAINED SURPLUS CARRIED FORWARD		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

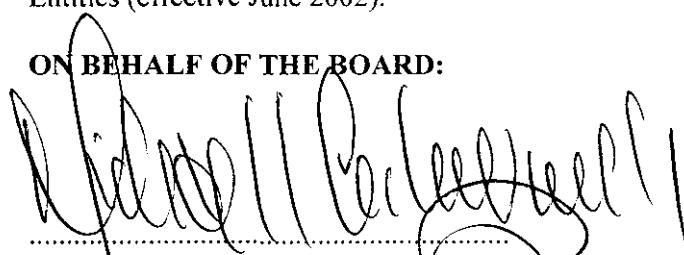
AVONSIDE LIMITED

BALANCE SHEET
31 OCTOBER 2003

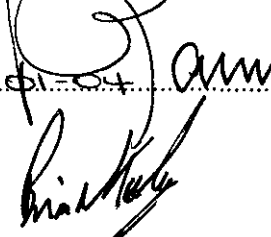
		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		79		191
CURRENT ASSETS:					
Debtors	5	2,441		2,215	
Cash at bank		<u>14,381</u>		<u>14,159</u>	
		16,822		16,374	
CREDITORS: Amounts falling due within one year	6	<u>8,471</u>		<u>8,135</u>	
NET CURRENT ASSETS:			<u>8,351</u>		<u>8,239</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£8,430</u>		<u>£8,430</u>
CAPITAL AND RESERVES:					
Called up share capital	7		32		32
Other reserves	8		<u>8,398</u>		<u>8,398</u>
SHAREHOLDERS' FUNDS:			<u>£8,430</u>		<u>£8,430</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 with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



 - Director

Approved by the Board on 11-01-04 

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2003

1. ACCOUNTING POLICIES

Accounting convention

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).

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 15% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Contributions

These represent amounts receivable by the company from the property owners on account of expenses incurred in the management and maintenance of the property.

2. OPERATING (DEFICIT)/SURPLUS

The operating deficit (2002 - operating surplus) is stated after charging:

	2003	2002
	£	£
Depreciation - owned assets	112	112
Auditor's remuneration	<u>300</u>	<u>300</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. TAXATION

The company has had income tax of £45 (2002-£63) deducted at source on interest received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2003

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1 November 2002	
and 31 October 2003	<u>1,014</u>
DEPRECIATION:	
At 1 November 2002	823
Charge for year	<u>112</u>
At 31 October 2003	<u>935</u>
NET BOOK VALUE:	
At 31 October 2003	<u>79</u>
At 31 October 2002	<u>191</u>

5. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2003 £	2002 £
Contributions in arrears	-	165
Other debtors	439	-
Prepayments	<u>2,002</u>	<u>2,050</u>
	<u>2,441</u>	<u>2,215</u>

6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2003 £	2002 £
Contributions in advance	5,031	2,815
Taxation	213	213
Accrued expenses	<u>3,227</u>	<u>5,107</u>
	<u>8,471</u>	<u>8,135</u>

7. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
32	Ordinary	£1	<u>32</u>	<u>32</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2003

8. OTHER RESERVES

	2003	2002
	£	£
Brought forward	8,398	18,370
Net transfer from Reserve Fund	-	(9,972)
	<u>8,398</u>	<u>8,398</u>

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003**

	<u>2003</u>		<u>2002</u>	
	£	£	£	£
Income:				
Contributions receivable	26,512		27,871	
Service charge deficit recovered	-		2,098	
Reserve Fund contributions	6,000		4,000	
Mooring fees	251		302	
Insurance contributions	4,872		4,356	
Prior year's surplus/(deficit)	2,272		(65)	
Current year's (surplus)/deficit	(4,331)		(2,272)	
Transfer from Reserves for balconies	-		13,972	
Insurance claims	1,926		-	
Building society interest	<u>227</u>		<u>313</u>	
		37,729		50,575
Expenditure:				
Gardener's wages and national insurance	11,545		11,652	
Garden maintenance	3,465		2,305	
Cleaning costs and materials	1,962		1,844	
Sundry expenses	17		14	
Auditors remuneration	300		300	
Managing agent's fees	3,926		3,659	
Directors' liability insurance	398		375	
Insurance	4,872		4,356	
Electricity	437		349	
Repairs and maintenance	10,556		21,546	
Bank charges	94		-	
Plant & machinery depreciation	<u>112</u>		<u>112</u>	
		<u>37,684</u>		<u>46,512</u>
EXCESS OF INCOME OVER EXPENDITURE		<u><u>£45</u></u>		<u><u>£4,063</u></u>