

EMERY HILL RESIDENTS LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2004



PHILIP HUDSON & CO
Chartered Accountants
89 Chiswick High Road
London W4 2EF

Company number: 2024708

EMERY HILL RESIDENTS LIMITED

DIRECTORS REPORT

The directors present their annual report with the financial statements of the company for the year ended 30 September 2004.

PRINCIPAL ACTIVITY

The company continued to own the freehold reversion of and to manage the property at 160 - 186a Ashley Gardens, Emery Hill Street, London SW1.

RESULTS AND REVIEW

The company is a non-profit making body and as such it does not have distributable reserves nor does it vote dividends. The results for the year are as set out on page 4. The directors recommend the transfer of £56,691 from premises maintenance reserve. They consider the results and the year end financial position to be satisfactory.

DIRECTORS

The directors throughout the year and their beneficial interests in the shares of the company were as follows:-

	Ordinary shares	
	<u>30.09.04</u>	<u>30.09.03</u>
Mrs P M Nightingale	329	329
Mrs S L O'Sullivan (resigned 26.4.04)	318	318
Mrs S Hamilton	267	267
A C Dunachie	185	-
Mrs J R Davies	289	289
P E Kurgo	329	329
M J Allen	249	249

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.

EMERY HILL RESIDENTS LIMITEDDIRECTORS REPORT(CONTINUED)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.

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 and with the Financial Reporting Standard for Smaller Entities.

By order of the Board

P. M. Nightingale
P M NIGHTINGALE
Secretary

40 Great Smith Street
London
SW1P 3BU

15 March 2005

EMERY HILL RESIDENTS LIMITED
INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS
OF EMERY HILL RESIDENTS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention on the basis of accounting policies set out on page 6 and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 or assume 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 Directors' Report, the company's directors are responsible for the preparation of the 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 misstatement within it.

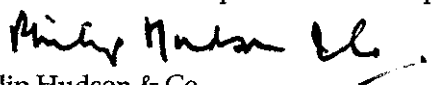
BASIS OF AUDIT OPINION

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 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 30 September 2004 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Philip Hudson & Co
Chartered Accountants
and Registered Auditors
89 Chiswick High Road
London W4 2EF

16 March 2005

EMERY HILL RESIDENTS LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2004

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
TURNOVER	(2)	117,000	98,000
Net operating expenses	(3)	(172,621)	(76,506)
OPERATING (DEFICIT)/SURPLUS	(4)	(55,621)	21,494
Interest receivable			
General account		1,372	432
Maintenance reserve account		2,327	3,516
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(51,922)	25,442
Tax on investment income	(5)	(1,367)	(1,342)
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		(53,289)	24,100
Transfer from/(to) premises maintenance reserve	(10)	56,691	(24,020)
SERVICE CHARGE SURPLUS PAYABLE TO LEASEHOLDERS		£ 3,402	£ 80

The notes on pages 6 to 8 form an integral part of these financial statements.

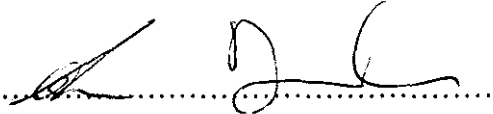
EMERY HILL RESIDENTS LIMITEDBALANCE SHEETAT 30 SEPTEMBER 2004

	<u>Notes</u>	£	<u>2004</u> £	£	<u>2003</u> £
CURRENT ASSETS					
Debtors	(6)		2,982		3,020
Cash at bank with managing agents			116,314		157,596
			<u>119,296</u>		<u>160,616</u>
CREDITORS: amounts falling due within one year	(7)		22,203		6,832
NET CURRENT ASSETS			<u>97,093</u>		<u>153,784</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 97,093</u> =====		<u>£ 153,784</u> =====
CAPITAL AND RESERVES					
Called up share capital	(8)		96		96
Premises maintenance reserve	(10)		96,997		153,688
			<u>£ 97,093</u> =====		<u>£ 153,784</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).

The accounts were approved by the board on
and signed on its behalf by

15 March 2005


A C DUNACHIE
DIRECTOR

The notes on pages 6 and 8 form an integral part of these financial statements.

EMERY HILL RESIDENTS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30 SEPTEMBER 20041. ACCOUNTING POLICIESBasis of accounting

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

Fixed assets

The company owns the freehold reversion of 160 - 186 Ashley Gardens London, SW1. It was acquired at no cost to the company.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement as it is a small company as defined by section 247 of the Companies Act 1985.

Ground rents

Although the leases make provision for the payment of ground rent to the company as freeholder, no ground rents have been accounted for in these accounts, since these amounts are receivable by the company as bare trustee for the participating lessees.

Taxation

Any surplus arising in relation to leaseholders' service charges is exempt from taxation. No such exemption applies to investment income; taxation is provided on gross income received.

2. TURNOVER

Turnover represents service charges to leaseholders in respect of the management of 160-186A Ashley Gardens, Emery Hill Street and is wholly attributable to continuing operations.

3. NET OPERATING EXPENSES

	<u>2004</u>	<u>2003</u>
	£	£
Establishment expenses	160,590	65,925
Administrative expenses	12,031	10,581
	<u>£ 172,621</u>	<u>£ 76,506</u>
	=====	=====

EMERY HILL RESIDENTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 SEPTEMBER 20044. OPERATING (DEFICIT)/SURPLUS

The operating deficit/surplus is stated after charging:

	<u>2004</u>	<u>2003</u>
	£	£
Auditors remuneration	2,350	2,250

5. TAX ON INVESTMENT INCOME

	<u>2004</u>	<u>2003</u>
	£	£
The tax charge is based on interest received for the year		
Income tax at 37%	1,367	1,342

6. DEBTORS

	<u>2004</u>	<u>2003</u>
	£	£
Prepayments	1,724	1,674
Services charges due	1,258	1,346
	<u>£2,982</u>	<u>£ 3,020</u>
	=====	=====

7. CREDITORS: Amounts falling due within one year

	<u>2004</u>	<u>2003</u>
	£	£
Service charge surplus payable to leaseholders	3,480	80
Other creditors – regrant and ground rent	1,890	1,710
Income tax	773	839
Accruals and deferred income	5,606	4,203
Trade creditors	10,454	-
	<u>£ 22,203</u>	<u>£ 6,832</u>
	=====	=====

8. CALLED UP SHARE CAPITAL

	<u>2004</u>	<u>2003</u>
	£	£
Authorised:		
10,070 ordinary shares of 1p each	100.70	100.70
	=====	=====
Issued, called up and fully paid:		
9,561 ordinary shares of 1p each	95.61	95.61
	=====	=====

EMERY HILL RESIDENTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 SEPTEMBER 20049. TANGIBLE FIXED ASSET

The company owns the freehold reversion of 160-186A Ashley Gardens, Emery Hill, London, SW1. It was acquired at no cost to the company as the acquisition was funded by members personally.

10. PREMISES MAINTENANCE RESERVE

	<u>2004</u>	<u>2003</u>
	£	£
Transfer from income and expenditure account	34,000	29,000
Transfer to income & expenditure account	(92,149)	(7,300)
Interest received on maintenance reserve account	2,327	3,516
Taxation provision	(869)	(1,196)
	<u>(56,691)</u>	<u>24,020</u>
At 1 October 2003	153,688	129,668
At 30 September 2004	<u>£96,997</u>	<u>£153,688</u>

11. TRANSACTIONS WITH RELATED PARTIES

All of the directors, hold leases in 160-186A Ashley Gardens and therefore have interests in transactions with the company insofar as the service charges on their flats are concerned.