Company Number 3233021

BAILEY PROPERTY MANAGEMENT LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st AUGUST 2003



BAILEY PROPERTY MANAGEMENT LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED

31ST AUGUST 2003

The director presents his report and the financial statements for the year ended 31st August 2003.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of the letting of residential property.

DIRECTOR

The director at 31st August 2003 and his interest in the share capital of the company was as follows:

	£1 Ordinary Shares	
	2003	2002
D. B. THOMPSON	2	2

SMALL COMPANY RULES

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

Signed on behalf of the Board

Date..28.....6.....04.....

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J. MORRISON
Secretary

BAILEY PROPERTY MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31ST AUGUST 2003

	Note	2003	2002
TURNOVER	1	10230	6480
GROSS PROFIT		10230	6480
Administrative Expenses		(2879)	(2895)
Depreciation	2	(108)	(95)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		7243	3490
Interest Receivable		-	2
Interest Payable		(3604)	(3112)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3639	380
Taxation on Profit on ordinary activities	6	-	80
RETAINED PROFIT FOR THE YEAR		3639	460
LOSSES BROUGHT FORWARD		(5046)	(5506)
LOSSES CARRIED FORWARD		£ (1407)	£ (5046)

The notes on pages 4 and 5 form part of these financial statements

BAILEY PROPERTY MANAGEMENT LIMITED

BALANCE SHEET AT 31ST AUGUST 2003

	Note	2003		2002	
FIXED ASSETS					
Tangible Assets	2		142748		87134
CURRENT ASSETS					
Debtors	3	723		-	
Cash at Bank		6		1007	
		729		1007	
CREDITORS:					
Amounts falling due within one year	4	(15571)		(5749)	
NET CURRENT (LIABILITIES)			(14842)		(4742)
TOTAL ASSETS LESS CURRENT LIABILITIES			127906		82392
CREDITORS :					
Amounts falling due *after more than one year*	4		(129311)		(87436)
NET ASSETS			**£ (1405)**		£ (5044)
CAPITAL AND RESERVES					
Issued Shared Capital	5		2		2
Profit and Loss Account			(1407)		(5046)
Shareholders' Funds			**£ (1405)**		£ (5044)

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A (1) of the Companies Act 1985. Members have not required the company, under Section 249 B (2) of the Companies Act 1985, to obtain an audit for the year ended 31st August 2003. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st August 2003 and of its Profit/Loss for the year then ended in accordance with Section 226 and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the Board on 28 JUNE 2004 and signed on its behalf.

D B Thompson

D. B. THOMPSON - Director

The notes on pages 4 and 5 form part of these financial statements.

BAILEY PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST AUGUST 2003

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements
The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Turnover
Turnover comprises the value of rents receivable

(c) Tangible fixed assets and depreciation.
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following basis:

Freehold Property	- 2.5% on Reducing Balance
Furniture and Fittings	- 15% on Reducing Balance

2. TANGIBLE FIXED ASSETS

	Freehold Property	Others	TOTAL
COST			
As at 1st September 2002	93563	1004	94567
Additions	55352	370	55722
As at 31st August 2003	148915	1374	150289
DEPRECIATION			
As at 1st September 2002	6966	467	7433
Charge for the year	-	108	108
As at 31st August 2003	6966	575	7541
NET BOOK VALUE			
As at 31st August 2002	£ 86597	£ 537	£ 87134
As at 31st August 2003	£ 141949	£ 799	£ 142748

The director considers that the market value of Freehold Property is in excess of the Net Book Value.
In view of the recent increase in Property values the director has not provided for depreciation on Freehold Properties for the year,

	2003	2002
3. DEBTORS		
Other Debtors	£ 723	£ -

	2003	2002
4. CREDITORS: amounts falling due within one year.		
Bank overdraft	940	-
Other Creditors	7892	1831
Corporation Tax	-	18
Building Society Mortgage	6739	3900
	£ 15571	£ 5749
Amounts falling due after more than one year:		
Director's Loan Deferred	59087	50621
Building Society Mortgage	70224	36815
	£ 129311	£ 87436
5. SHARE CAPITAL		
Authorised		
100000 Ordinary Shares of £1 each	£ 100000	£ 100000
Issued		
2 Ordinary Shares of £1 each	£ 2	£ 2
6. TAXATION		
U. K. Corporation Tax	£ -	£ (80)