

Mainstay Residential Management Limited
(formerly Norfolk House Properties Limited)

Report and Accounts

31st December 2000

Registered number 3340310



Mainstay Residential Management Limited

(Formerly Norfolk House Properties Limited)

Report and accounts

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Mainstay Residential Management Limited

(formerly Norfolk House Properties Limited)

Directors' Report

The directors present their report and the audited accounts for the period from incorporation to 31st December 2000.

Principal activities and business review

The Company commenced trading on 1st April 2000, having been dormant since its incorporation on 26th March 1997, and changed its name from Norfolk House Properties Limited to Mainstay Residential Management Limited on 26th June 2000.

The Company's principal activities during the year were the provision of residential property management services.

Future developments

Future developments are likely to be in the same field.

Results and dividends

The results for the year are shown on page 4 of the accounts. The directors do not recommend the payment of a final ordinary dividend.

Directors

The directors of the Company who served during the year were as follows:-

South Eastern Recovery Assured Homes Limited	(resigned 1st April 2000)
G M Miles	(appointed 1st April 2000)
G W Donaldson	(appointed 1st April 2000)
A J Tilly	(appointed 1st April 2000)

Directors' interests

At 31st December 2000, the directors had the following interests, which they acquired on date of appointment, in the share capital of the Company:

G M Miles	304 Ordinary Shares of 10 pence
G W Donaldson	228 Ordinary Shares of 10 pence
A J Tilly	228 Ordinary Shares of 10 pence

None of the directors, who held office at 31st December 2000, had any beneficial interests in the shares of the Company's ultimate parent undertaking, Pemberstone Group Limited.

Mainstay Residential Management Limited

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Directors' Report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

The Company's auditors were appointed on 1st April 2000. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the Annual General Meeting.

By order of the board

H. Rogers

For and on behalf of
CIM Management Limited
Secretary

Whittington Hall
Whittington Road
Worcester
WR5 2ZX

29th October 2001

Mainstay Residential Management Limited

(formerly Norfolk House Properties Limited)

Auditors' Report to the members of Mainstay Residential (2) Limited

We have audited the accounts on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31st December 2000 and of its profit for the period from incorporation to 31st December 2000 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

2 Cornwall Street
Birmingham B3 2DL

29th October 2001

Mainstay Residential Management Limited

(formerly Norfolk House Properties Limited)

Profit and Loss Account

for the period ended 31st December 2000

	Notes	Period ended 31st December 2000 £
Turnover	1	94,610
Administrative expenses		(91,709)
Operating profit		2,901
Interest receivable		92
Interest payable and similar charges		-
Profit on ordinary activities before taxation	2	2,993
Tax on profit on ordinary activities	4	(1,170)
Profit on ordinary activities after taxation		
being retained profit for the financial period	10	1,823

The Company commenced trading on 1st April 2000 . There were no discontinued operations in the period and no recognised gains or losses other than those disclosed in the profit and loss account.

A note of historical cost profits and losses is not provided as there is no difference between the profit reported above and that prepared on a historical cost basis.

Mainstay Residential Management Limited

(formerly Norfolk House Properties Limited)

Balance Sheet

as at 31st December 2000

	Notes	2000 £
Fixed assets		
Intangible assets	5	9,000
Current assets		
Debtors falling due within one year	6	46,429
Cash at bank and in hand		28,969
		<u>75,398</u>
Creditors: amounts falling due within one year	7	<u>(67,475)</u>
Net current assets		<u>7,923</u>
Creditors: amounts falling due after more than one year	8	<u>(15,000)</u>
Net assets		<u>1,923</u>
Capital and reserves		
Called up share capital	9	100
Profit and loss account	10	1,823
Equity shareholders' funds		<u>1,923</u>

These accounts were approved by the board of directors on 29th October 2001 and were signed on its behalf by:-



AJ Tilly
Director

Mainstay Residential Management Limited

(formerly Norfolk House Properties Limited)

Reconciliation of Movements in Shareholders' Funds

for the period ended 31st December 2000

	Period ended 31st December 2000 £
Profit for the financial period	1,823
New share capital subscribed	100
Net increase in shareholders' funds	1,923
Opening equity shareholders' funds	0
Closing equity shareholders' funds	1,923

Mainstay Residential Management Limited

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Notes

(forming part of the accounts)

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts.

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

A cash flow statement has not been prepared as permitted by paragraph 5(f) of Financial Reporting Standard No. 1.

Turnover

Turnover, which excludes VAT, represents fees receivable from the provision of management services arising in the period. All fees and sales are made within the UK.

Intangible fixed assets

Goodwill is capitalised and written off on a straight line basis over its useful economic life, which in the opinion of the directors is ten years. This is subject to annual review.

2. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:-

	Period ended 31st December 2000 £
Amortisation of goodwill	1,000
Management charges	34,185
Directors' emoluments	<u>24,777</u>

The management charges of £34,185 are payable to Mainstay Residential (2) Limited, a company of which Messrs G M Miles, G W Donaldson and A J Tilly are also directors. It is also a subsidiary undertaking of Pemberstone Group Limited which owns 24% of the Company.

The audit fee for the period ended 31st December 2000 was also borne by Mainstay Residential (2) Limited.

Mainstay Residential Management Limited

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3. Directors' emoluments

	2000 £
Directors' emoluments	23,390
Company contributions to money purchase Pension schemes	1,387
	<u>24,777</u>

Number of directors who have:	2000
Retirement benefits accruing under money Purchase pension schemes	<u>3</u>

4. Tax on profit on ordinary activities

	Period ended 31st December 2000 £
UK corporation tax charge based on the profit for the period at 30%	1,170
	<u>1,170</u>

5. Intangible fixed assets

	Purchased goodwill £
<i>Cost</i>	
Additions	10,000
At 31st December 2000	<u>10,000</u>
<i>Amortisation</i>	
Charge for the period	1,000
At 31st December 2000	<u>1,000</u>
<i>Net book value</i>	
At 31st December 2000	<u>9,000</u>

Mainstay Residential Management Limited

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Notes (continued)

6. Debtors

	2000 £
Trade debtors	27,263
Other debtors	7,714
Prepayments and accrued income	11,452
	46,429

7. Creditors: amounts falling due within one year

	2000 £
Amount due to related undertaking	66,305
Corporation tax	1,170
	67,475

8. Creditors: amounts falling due after more than one year

	2000 £
Loan from directors	15,000

The loan is repayable after four years and bears interest at a commercial rate.

9. Called up share capital

	2000 £
<i>Authorised</i>	
100,000 ordinary shares of 10p each	1,000
<i>Allotted, called up and fully paid</i>	
1,000 ordinary shares of 10p each	100

The shares were issued in order to provide working capital.

Mainstay Residential Management Limited

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Notes *(continued)*

10. Reserves

	Profit and loss account £
Retained profit for the period	1,823
At 31st December 2000	1,823