

COMPANIES HOUSE COPY

Mainstay Residential Management Limited

Report and Financial Statements

Period Ended

31 March 2005

BDO
BDO Stoy Hayward
Chartered Accountants



Mainstay Residential Management Limited

Report and financial statements for the period ended 31 March 2005

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Directors

G W Donaldson
G M Miles
A J Tilly

Secretary and registered office

Mainstay (Secretaries) Limited, Whittington Hall, Whittington Road, Whittington, Worcester,
WR5 2ZX

Company number

3340310

Auditors

BDO Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD

Mainstay Residential Management Limited

Report of the directors for the period ended 31 March 2005

The directors present their report together with the audited financial statements for the period ended 31 March 2005.

Results

The profit and loss account is set out on page 5 and shows the profit for the period.

Principal activities

The company's principal activity is the provision of residential property management services. Future developments are likely to be in the same field.

Directors

The directors of the company during the period were:

G W Donaldson

G M Miles

A J Tilly

No director had any beneficial interest in the ordinary share capital of the company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- 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.

Mainstay Residential Management Limited

Report of the directors for the period ended 31 March 2005 (*Continued*)

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

By order of the board



Mainstay (Secretaries) Limited
Secretary

8 August 2005

Report of the independent auditors

To the shareholders of Mainstay Residential Management Limited

We have audited the financial statements of Mainstay Residential Management Limited for the period ended 31 March 2005 on pages 5 to 12 which have been prepared under the accounting policies set out on pages 7 to 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Mainstay Residential Management Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD LLP

BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Birmingham

12/02/05

Mainstay Residential Management Limited**Profit and loss account for the 15 months ended 31 March 2005**

	Note	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
Turnover	2	51,900	84,900
Administrative expenses		46,600	68,500
Operating profit	3	5,300	16,400
Other interest receivable and similar income		2,900	6,300
Profit on ordinary activities before taxation		8,200	22,700
Taxation on profit on ordinary activities		1,400	4,500
Profit on ordinary activities after taxation		6,800	18,200
Dividends		58,100	-
(Accumulated loss)/retained profit		(51,300)	18,200

All amounts relate to continuing activities.

All recognised gains and losses in the current period and prior year are included in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

Mainstay Residential Management Limited

Balance sheet at 31 March 2005

	Note	31 March 2005 £	31 March 2005 £	31 December 2003 £	31 December 2003 £
Fixed assets					
Intangible assets	5		5,000		6,300
Tangible assets	6		-		100
			5,000		6,400
Current assets					
Debtors	7	34,500		2,400	
Cash at bank and in hand		-		143,300	
		34,500		145,700	
Creditors: amounts falling due within one year	8	3,200		64,500	
Net current assets			31,300		81,200
Total assets less current liabilities			36,300		87,600
Creditors: amounts falling due after more than one year	9		15,000		15,000
			21,300		72,600
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account			21,200		72,500
Equity shareholders' funds	11		21,300		72,600

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 8 August 2005.


A J Tilly
Director

The notes on pages 7 to 12 form part of these financial statements.

1 Accounting policies (continued)

Taxation

Payment is made for corporation tax group relief between group undertakings where appropriate.

Accounting period

The figures for the current period are for the 15 month period ended 31 March 2005 and the comparatives are for the year ended 31 December 2003.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating profit

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	100	200
Amortisation of positive goodwill	1,300	1,000
Audit services	1,300	-

The company's audit fee for the previous year was borne by Mainstay Residential (2) Limited.

4 Directors' remuneration

No director received any emoluments during the current period (2003 - £nil).

Mainstay Residential Management Limited

Notes forming part of the financial statements for the period ended 31 March 2005 (Continued)

5 Intangible assets

	Purchased goodwill £
<i>Cost or valuation</i>	
At 1 January 2004 and 31 March 2005	10,000
<i>Amortisation</i>	
At 1 January 2004	3,700
Provided for the period	1,300
At 31 March 2005	5,000
<i>Net book value</i>	
At 31 March 2005	5,000
At 31 December 2003	6,300

6 Tangible fixed assets

	Plant and machinery etc £
<i>Cost</i>	
At 1 January 2004 and 31 March 2005	900
<i>Depreciation</i>	
At 1 January 2004	800
Provided for the period	100
At 31 March 2005	900
<i>Net book value</i>	
At 31 March 2005	-
At 31 December 2003	100

Mainstay Residential Management Limited**Notes forming part of the financial statements for the period ended 31 March 2005 (Continued)****7 Debtors**

	31 March 2005 £	31 December 2003 £
Amounts owed by group undertakings	-	2,400
Other debtors	34,500	-
	=====	=====

All amounts shown under debtors fall due for payment within one year.

8 Creditors: amounts falling due within one year

	31 March 2005 £	31 December 2003 £
Trade creditors	-	7,300
Amounts owed to group undertakings	-	47,700
Corporation tax	1,800	7,100
Other creditors	1,400	2,400
	=====	=====
	3,200	64,500
	=====	=====

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

	31 March 2005 £	31 December 2003 £
Loan	15,000	15,000
	=====	=====
Maturity of debt:		
	Loan 31 March 2005 £	Loan 31 December 2003 £
In more than one year but not more than two years	15,000	15,000
	=====	=====

Notes forming part of the financial statements for the period ended 31 March 2005 (*Continued*)**10 Share capital**

	31 March 2005 £	Authorised 31 December 2003 £	Allotted, called up and fully paid 31 March 2005 £	31 December 2003 £
<i>Equity share capital</i>				
10,000 Ordinary shares of 10p each	1,000	1,000	100	100

11 Reconciliation of movements in shareholder's funds

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
Profit for the period	6,800	18,200
Dividends	(58,100)	-
	(51,300)	18,200
Opening shareholder's funds	72,600	54,400
Closing shareholder's funds	21,300	72,600

12 Commitments

The company had no capital or operating lease commitments at either 31 March 2005 or 31 December 2003.

13 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Mainstay Group Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

14 Ultimate parent company and parent undertaking of larger group

The largest and smallest group in which the results of the company are consolidated is that headed by Mainstay Group Limited, incorporated in England and Wales. The consolidated financial statements of this company are available to the public and may be obtained from Whittington Hall, Whittington Road, Worcester, WR5 2ZX. Subject to inclusion of the company results to 30 April 2004 in the consolidated accounts of Pemberstone Group Limited, there are no other group financial statements which include the results of the company.