

# **“THE LYNCH” MANAGEMENT LIMITED**

**Registered in England No. 2302474**

## **DIRECTORS REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006**

### **CONTENTS**

Page 1:	Directors Report
Page 2:	Auditors Report
Page 3:	Income and Expenditure Account
Page 4:	Balance Sheet as at 31 December 2006
Page 5:	Notes forming part of the Accounts

**Registered Office**  
Herne House  
68 Birchanger Lane  
Birchanger  
Bishops Stortford  
Herts CM23 5QA

WEDNESDAY



A10      \*AAOVYU94\*      136  
31/10/2007  
COMPANIES HOUSE

# **"THE LYNCH" MANAGEMENT LIMITED**

## **REPORT OF THE DIRECTORS For the Year Ended 31 December 2006**

The Directors have pleasure in submitting their Annual Report together with the audited accounts for the year ended 31 December 2006. The Report has 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 January 2005).

### **Activities**

The Company's principal activity is that of the management of the common services of a residential development at "The Lynch", Hoddesdon, Herts on a non profit making basis. There have been no changes in this activity during the year.

### **Directors**

The Directors and their interests in the shares of the Company were as given below :

	<u>£1 Ordinary Shares</u>	
	<u>31 December 2006</u>	<u>31 December 2005</u> or date of <u>appointment</u>
S. Nine	1	1
C.J. Kent	1	1
P. C. Harrison	1	1
M. E. Hall	1	1
D. Kent	1	1
L. Musgrove (appointed 18 July 2006)	1	1
A. J. Musgrove (appointed 18 July 2006)	1	1
B. L. Winkworth (appointed 18 July 2006)	1	1

D.C. Nicholson resigned as a director on 18 July 2006 and R. Mugridge on 21 August 2006.

### **Auditors**

Parry & Co have indicated their willingness to continue in office. In accordance with Section 385 of the Companies Act 1985 a resolution concerning their re-appointment and remuneration will be proposed at the next Annual General Meeting.

### **Statement of Directors Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the affairs of the company and of the profit or loss 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 prudent and reasonable;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

This Report was approved by the Board on 21.5.07 and signed on behalf of the Board

*P C Harrison*  
25.10.07  
P. C. HARRISON - DIRECTOR

# **"THE LYNCH" MANAGEMENT LIMITED**

## **Independent Auditors' Report to the Shareholders of "The Lynch" Management Limited**

We have audited the financial statements of "The Lynch" Management Limited on pages 3 to 5. These financial statements have been prepared in accordance with the accounting policies set out on page 5, under the historical cost convention, and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with s235 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 Statement of Directors' Responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if in our opinion 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 other transactions 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.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

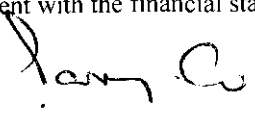
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### **Opinion**

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of affairs of the company as at 31 December 2006 and of its deficit for the year then ended;
- The financial statements have been properly prepared in accordance with the **Companies Act 1985**; and
- The information given in the directors' report is consistent with the financial statements.

Unit 1  
Temple House Estate  
6 West Road  
Harlow  
Essex CM20 2DU

  
**PARRY & CO**  
Registered Auditors  
& Chartered Accountants

Date...29th March 2007

**"THE LYNCH" MANAGEMENT LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**  
**For the Year Ended 31 December 2006**

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
<b>Service Charges Receivable</b>		10,200	25,200
<b>Expenditure</b>			
Grounds Contract	4,210	4,210	
Electrical Maintenance	359	0	
Lake Maintenance and Repairs	11,256	0	
Other Maintenance	1,421	0	
Insurance	324	324	
Audit	423	414	
Accountancy and Secretarial Services	2,115	2,115	
Bank Charges	85	78	
Electricity to Common Parts	380	160	
Sundry Expenses	<u>74</u>	<u>35</u>	
		<u>20,647</u>	<u>7,336</u>
		(10,447)	17,864
<b>Other Income</b>			
Share Registration Fees		0	240
Instalment Fees		220	100
Bank Interest		<u>63</u>	<u>70</u>
<b>Net Surplus (Deficit) for the Year before Taxation</b>		(10,164)	18,274
Taxation	2	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit) for the Year after Taxation</b>		(10,164)	18,274
<b>Transfer to (from) Maintenance Reserve</b>	5	<u>(10,164)</u>	<u>18,274</u>
		0	0
<b>Retained Surplus brought forward</b>		<u>0</u>	<u>0</u>
<b>Retained Surplus carried forward</b>		<u>£0</u>	<u>£0</u>

The notes on page 5 form an integral part of these accounts.

**"THE LYNCH" MANAGEMENT LIMITED**

**BALANCE SHEET**  
**As at 31 December 2006**

	<u>Notes</u>	<u>2005</u>	<u>2005</u>
<b>Current Assets</b>			
Debtors	2,239	10,570	
Prepayments	157	157	
Cash at Bank and in Hand	<u>11,349</u>	<u>13,324</u>	
	<u>13,745</u>	<u>24,051</u>	
<b>Creditors : Amounts falling due within one year</b>			
Service Charges in advance	0	0	
Trade Creditors	700	842	
Corporation Tax	<u>0</u>	<u>0</u>	
	<u>700</u>	<u>842</u>	
<b>Net Current Assets</b>		<b><u>£13,045</u></b>	<b><u>£23,209</u></b>
<b>Capital and Reserves</b>			
<b>Called Up Share Capital</b>	3	30	30
<b>Reserves</b>			
Maintenance Reserve	5 13,015	23,179	
Income and Expenditure Account	<u>0</u>	<u>0</u>	
		<u>13,015</u>	<u>23,179</u>
<b>Shareholders Funds</b>		<b><u>£13,045</u></b>	<b><u>£23,209</u></b>

The notes on page 5 form an integral part of these accounts.

These accounts which 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 January 2005), were approved by the Board of Directors on

..... Pc Henion 25/10/07

..... Mr. E. O'Hall 25/10/07.  
 (4)

**Directors**

# **"THE LYNCH" MANAGEMENT LIMITED**

## **NOTES FORMING PART OF THE ACCOUNTS**

**For the Year Ended 31 December 2006**

### **1. Accounting Policies**

The accounts have been prepared under the historical cost accounting convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

### **2. Taxation**

The Company is chargeable to Corporation Tax only on its investment income. No liability arises for the year (2005 Nil).

<b>3. Called Up Share Capital</b>	<u>2006</u>	<u>2005</u>
<b>Authorised:</b> 31 Ordinary Shares of £1 each	<b>£ 31</b>	<b>£ 31</b>
<b>Issued and Fully Paid:</b> 30 Ordinary Shares of £1 each	<b>£ 30</b>	<b>£ 30</b>

### **4. Employees**

The Company has no employees and no remuneration was paid during the year to Directors or others.

### **5. Maintenance Reserve**

The Maintenance Reserve represents a provision for major items of future maintenance for which the company is responsible under the terms of the Deeds of Covenant entered into with the individual owners of the properties at The Lynch. The following movements took place during the year:-

	<u>2006</u>	<u>2005</u>
Balance brought forward	23,179	4,905
Transfer from (to) Income and Expenditure Account	(10,164)	18,274
Balance carried forward	<u>£13,015</u>	<u>£23,179</u>

### **6. Sale of Land**

During 1998, a strip of land at the Lynch adjoining a property was sold by a member of the company to a non member. The latter was unable to register title to this due to restrictions placed on it and discussions were held as to how the matter could be rectified. An Extraordinary General Meeting of the Company held in October 1998 rejected a resolution to increase the share capital to enable the person concerned to become a member and thus register the title. No specific financial provisions have been made to reflect the possible risk of litigation and other costs over what the directors consider to be an unauthorised transfer of the land concerned.