

# **"THE LYNCH" MANAGEMENT LIMITED**

**Registered in England No. 2302474**

## **DIRECTORS REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004**

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## **"THE LYNCH" MANAGEMENT LIMITED**

### **REPORT OF THE DIRECTORS For the Year Ended 31 December 2004**

The Directors have pleasure in submitting their Annual Report together with the audited accounts for the year ended 31 December 2004. 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 June 2002).

#### **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 2004</u>	<u>31 December 2003</u> or date of <u>appointment</u>
S. Nine	1	1
D.C. Nicholson	1	1
C.J. Kent	1	1
L. Musgrove	1	1
P. C. Harrison (appointed 19 July 2004)	1	1

P. G. Walker resigned as a director on 10 February 2004. Since the year end, L. Musgrove has resigned as a director.

#### **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**

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;
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 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 *20th June 2005* and signed by Order of the Board

**Registered Office**  
Park House  
The Street  
Great Saling  
Essex CM7 5DR

  
**A. HINE F.C.A.**  
**COMPANY SECRETARY**

# **"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 for the year ended 31 December 2004 on pages 3 to 5. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out on page 5.

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 that we are required to state to them in an auditors' 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, or 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.

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.

### **BASIS OF 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 accounts. 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 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 financial statements.

### **OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its deficit for the year then ended and have been properly prepared in accordance with the **Companies Act 1985**.

The Mill  
Stortford Road  
Hatfield Heath  
Bishops Stortford  
Herts CM22 7DL

Date.....21/6/05.....

  
PARRY & CO.

**Registered Auditors  
& Chartered Accountants**

**"THE LYNCH" MANAGEMENT LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**  
**For the Year Ended 31 December 2004**

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
<b>Service Charges Receivable</b>		9,000	9,000
<b>Expenditure</b>			
Grounds Contract	3,714	4,072	
Plants and Materials	0	35	
Electrical Maintenance	122	9	
Lake Maintenance and Repairs	6,289	0	
Other Maintenance	958	125	
Insurance	324	309	
Audit	399	376	
Accountancy and Secretarial Services	2,115	2,115	
Bank Charges	97	108	
Electricity to Common Parts	165	141	
Sundry Expenses	<u>15</u>	<u>78</u>	
		<u>14,198</u>	<u>7,368</u>
		(5,198)	1,632
<b>Other Income</b>			
Share Registration Fees		60	120
Instalment Fees		100	100
Bank Interest		<u>157</u>	<u>106</u>
<b>Net Surplus (Deficit) for the Year before Taxation</b>		(4,881)	1,958
Taxation	2	<u>0</u>	<u>0</u>
<b>Net Surplus (Deficit) for the Year after Taxation</b>		(4,881)	1,958
<b>Transfer to (from) Maintenance Reserve</b>	5	<u>(4,881)</u>	<u>1,958</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**

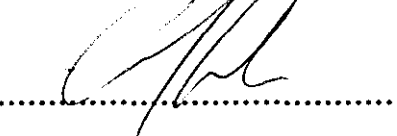
**BALANCE SHEET**  
**As at 31 December 2004**

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
<b>Current Assets</b>			
Debtors	0	60	
Prepayments	157	157	
Cash at Bank and in Hand	<u>5,232</u>	<u>12,006</u>	
	<u>5,389</u>	<u>12,223</u>	
<b>Creditors : Amounts falling due within one year</b>			
Service Charges in advance	0	1,692	
Trade Creditors	454	715	
Corporation Tax	<u>0</u>	<u>0</u>	
	<u>454</u>	<u>2,407</u>	
<b>Net Current Assets</b>		<b><u>£4,935</u></b>	<b><u>£9,816</u></b>
<b>Capital and Reserves</b>			
<b>Called Up Share Capital</b>	3	30	30
<b>Reserves</b>			
Maintenance Reserve	5	4,905	9,786
Income and Expenditure Account		<u>0</u>	<u>0</u>
		<u>4,905</u>	<u>9,786</u>
<b>Shareholders Funds</b>		<b><u>£4,935</u></b>	<b><u>£9,816</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 June 2002), were approved by the Board of Directors on 20<sup>th</sup> June 2005**

.....  ..... D.C. NICHOLSON

.....  ..... C.J. KENT

**Directors**

# **"THE LYNCH" MANAGEMENT LIMITED**

## **NOTES FORMING PART OF THE ACCOUNTS For the Year Ended 31 December 2004**

### **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 June 2002).

### **2. Taxation**

The Company is chargeable to Corporation Tax only on its investment income. The Inland Revenue has however granted an exemption to the Company from filing a Corporation Tax Return in view of the absence of any liability. No provision is therefore necessary in the accounts [2003 Nil]

<b>3. Called Up Share Capital</b>	<u>2004</u>	<u>2003</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>2004</u>	<u>2003</u>
Balance brought forward	9,786	7,828
Transfer from (to) Income and Expenditure Account	(4,881)	1,958
Balance carried forward	<u>£4,905</u>	<u>£9,786</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.