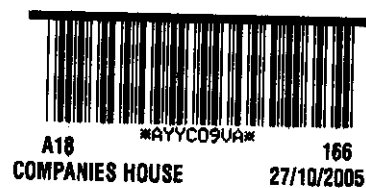


**Report of the Director and
Financial Statements
for the Year Ended 31 December 2004**

for

The Terpening Partnership Ltd

2772098



5

The Terpening Partnership Ltd

Contents of the Financial Statements for the Year Ended 31 December 2004

	Page
Company information	1
Report of the Director	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	6
Profit and Loss Account	

The Terpening Partnership Ltd

**Company Information
for the Year Ended 31 December 2004**

Director: P M Terpening

Secretary: J M Terpening

Registered Office: Church House
Church Road
Frating
Colchester
CO7 7HE

Registered Number: 02772098 (England and Wales)

The Terpening Partnership Ltd

**Report of the Director
for the Year Ended 31 December 2004**

The Director presents his report with the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property management and consultants.

DIRECTOR


P M Terpening was the sole Director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.04	31.12.03
Ordinary £1 shares	51	51

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

ON BEHALF OF THE BOARD:



J M Terpening - SECRETARY

DATED: 22 October 2005

Profit and loss account for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover		110,367	95,308
Cost of sales		<u>110,367</u> (43,489)	<u>95,308</u> (60,979)
Gross profit		66,878	34,329
Other operating income		<u>12,818</u>	<u>10,290</u>
Operating profit		79,696	44,619
Net interest		<u>1,567</u>	<u>(129)</u>
Profit on ordinary activities before taxation		81,263	44,490
Tax on profit on ordinary activities		<u>13,292</u>	<u>8,453</u>
Profit for the financial year		67,971	36,037
Dividends			
Retained profit for the year		<u>67,971</u>	<u>36,037</u>
Retained profit for the year		<u>67,971</u>	<u>36,037</u>
Retained profit brought forward		<u>159,793</u>	<u>123,756</u>
RETAINED PROFIT CARRIED FORWARD		<u>227,764</u>	<u>159,793</u>

The notes form part of these financial statements

Balance sheet as at 31 December 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	4	<u>113,087</u>	<u>140,725</u>
Current assets			
Debtors	5	15,184	30,874
Cash at bank and in hand		<u>112,629</u>	<u>14,690</u>
		127,813	45,564
Creditors: amounts falling due within one year	6	<u>(13,292)</u>	<u>(18,641)</u>
Net current assets		<u>114,521</u>	<u>26,923</u>
Total assets less current liabilities		227,608	167,648
Creditors: amounts falling due after more than one year	7	<u>0</u>	<u>(8,089)</u>
Net assets		<u><u>227,608</u></u>	<u><u>159,559</u></u>
Capital and reserves			
Called-up share capital	8	100	100
Profit and loss account		<u>227,508</u>	<u>159,459</u>
Shareholders' funds		<u><u>227,608</u></u>	<u><u>159,559</u></u>

The company is entitled to exemption from audit under Section 249A (1) of the Companies Act 1985 for the year ending 31st December 2003.

No notice has been deposited under Section 249B (2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The Director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

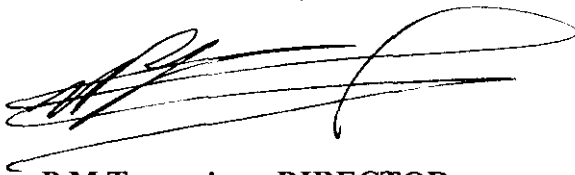
The notes form part of these financial statements

The Terpening Partnership Ltd

**Balance Sheet
31 December 2004**

These financial statements 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 Small Entities (effective March 1999).

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'P M Terpening', with a large, sweeping flourish extending to the right.

P M Terpening - DIRECTOR

APPROVED BY THE BOARD ON 22ND OCTOBER 2005

The Terpening Partnership Ltd

Notes to the Financial Statements for the Year Ended 31 December 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Small Entities (effective March 1999).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 20% on reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.04	31.12.03
	£	£
Depreciation - owned assets	<u>138</u>	<u>140</u>
Director's emoluments and other benefits etc	<u>2,499</u>	<u>18,850</u>

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.04	31.12.03
	£	£
UK corporation tax	13,292	8,453
Underprovision in previous years	-	-
	<u>13,292</u>	<u>8,453</u>

UK corporation tax has been charged at 19%

**Notes to the financial statements
For the year ended 31 December 2004**

4. Tangible fixed assets

	Land and buildings	Plant and machinery	Total
	£	£	£
Cost			
1 January 2004	140,034	1,098	141,132
Additions	0	0	0
Disposals	27,500	0	27,500
	<hr/>	<hr/>	<hr/>
At 31 December 2004	112,534	1,098	113,632
	<hr/>	<hr/>	<hr/>
Depreciation			
1 January 2004	0	407	407
Disposals	0	0	0
Provided in the year	0	138	138
	<hr/>	<hr/>	<hr/>
At 31 December 2004	0	545	545
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2004	112,534	553	113,087
	<hr/>	<hr/>	<hr/>
At 31 December 2003	140,034	691	140,725
	<hr/>	<hr/>	<hr/>

	2004	2003
	£	£
5. Debtors		
Trade debtors	0	5,972
Other debtors	0	1,285
Directors current account	15,184	23,617
	<hr/>	<hr/>
	15,184	30,874
	<hr/>	<hr/>

**Notes to the financial statements
For the year ended 31 December 2004**

6. Creditors: Amounts falling due in less than one year	2004 £	2003 £
Bank loans and overdrafts	0	8,089
Other creditors	0	220
V.A.T.	0	1,490
Social security and other taxes	0	389
Corporation tax	13,292	8,453
	<hr/> 13,292 <hr/>	<hr/> 18,641 <hr/>

7. Creditors: Amounts falling due after more than one year	2004 £	2003 £
Bank loans	0	8,089
	<hr/> 0 <hr/>	<hr/> 8,089 <hr/>

8. CALLED UP SHARE CAPITAL	2004 £	2003 £
Authorised		
1,000 ordinary shares of £1 per share	1,000	1,000
	<hr/> 1,000 <hr/>	<hr/> 1,000 <hr/>
Allotted, issued and fully paid		
100 ordinary shares of £1 per share	100	100
	<hr/> 100 <hr/>	<hr/> 100 <hr/>

9. RELATED PARTY DISCLOSURES

During the year the company was under the control of Mr P. Terpening, the major shareholder and director of the company.

The Terpening Partnership Limited

**Profit and loss account
For the year ended 31 December 2004**

	Year ended 31 December 2004		Year ended 31 December 2003	
	£	£	£	£
Income:				
Sales	47,448		73,440	
Profit on sale of property	58,000			
Expenses claimed	4,919		21,868	
		110,367		95,308
Other Income:				
Rents received	12,818		10,290	
Deposit account interest	1,739		27	
		14,557		10,317
Total Income		124,924		105,625
Expenditure:				
Directors' remuneration	2,499		18,500	
Wages	1,955		8,500	
Social security	1,158		3,784	
Telephone	350		1,062	
Postage and stationery	12		38	
Travel and mileage expenses	12,281		17,435	
Property expenses	21,874		10,278	
Sundry expenses	2,625		620	
Accountancy	120		375	
Rent			125	
Legal fees	378			
		43,252		60,717
		81,672		44,908
Finance costs:				
Interest on late corporation tax	172		56	
Mortgage			100	
Bank charges	99		122	
		271		278
		81,401		44,630
Depreciation				
Fixtures and fittings	138		140	
		138		140
Net profit for the year before taxation		81,263		44,490