

MERCHANTS COURT LIMITED
REGISTRATION NO. 3816046
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2004



MERCHANTS COURT LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2004

The directors present their report, together with the financial statements for the period ended 31 December 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

During the period the company acquired the freehold interest in Merchants Court, The Gangway, Cromer, and the principal activity of the company is to manage the property for the benefit of the individual flat owners. During the year the company issued 57 shares for a total amount of £14,748 in cash to provide finance for the company.

RESULTS AND DIVIDENDS

The surplus for the year after taxation and transfers to the Sinking Fund was £1,354 (2003 - £nil).

No dividends have been paid or declared.

DIRECTORS

The Directors in office during the period were as follows:

Christopher Cadogan-Rawlinson	(resigned 8 January 2004)
Bury Company Services Limited	(resigned 8 January 2004)
Richard Thorne	(appointed 10 January 2004)
Andrew Bingham	(appointed 10 January 2004)
Norman Pollock	(appointed 10 January 2004)
Alfred Pearson	(appointed 10 January 2004)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts 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 accounts 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

MERCHANTS COURT LIMITED

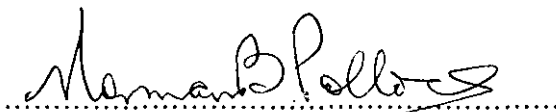
DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)

AUDITORS

For the period ended 31 December 2004 the company was entitled to the exemption under section 249A(1) Companies Act 1985 and accordingly auditors have not been appointed.

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

A handwritten signature in dark ink, appearing to read 'M. B. Pollock', is written over a horizontal dotted line. A solid line extends from the end of the signature.

On behalf of the Board

MERCHANTS COURT LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2004

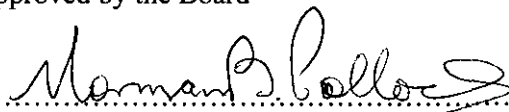
	Note	2004 £	2003 £
TURNOVER			
Service charges receivable from lessees		20,324	-
Sundry receipts		2,013	-
		<hr/>	<hr/>
		22,337	-
		<hr/>	<hr/>
EXPENDITURE			
Property costs		17,274	-
Administration		209	-
		<hr/>	<hr/>
		17,483	-
		<hr/>	<hr/>
TOTAL EXPENDITURE			
Operating surplus		4,854	-
Taxation		-	-
		<hr/>	<hr/>
Surplus for the year		4,854	-
Transfer (to)/from Sinking Fund		(3,500)	-
		<hr/>	<hr/>
NET SURPLUS TRANSFERRED TO GENERAL FUND		£1,354	£ Nil
		<hr/>	<hr/>

MERCHANTS COURT LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2004**

	Note	2004 £	2003 £
FIXED ASSETS	2	14,588	-
		=====	=====
CURRENT ASSETS			
Bank balances		8,748	2
Debtors and prepayments	4	11	-
		-----	-----
		8,759	-
		=====	=====
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors and accruals	6	3,743	-
		-----	-----
NET CURRENT ASSETS		£5,016	2
		=====	=====
TOTAL ASSETS LESS CURRENT LIABILITIES		£19,604	£2
		=====	=====
CAPITAL AND RESERVES			
Share capital	7	59	2
Share premium	7	14,691	-
		-----	-----
		14,750	2
General Fund		1,354	-
Sinking Fund		3,500	-
		-----	-----
		£19,604	£2
		=====	=====

With reference to the Companies Act 1985, the directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and for preparing accounts that give a true and fair view of the state of affairs for the company as at 31 December 2004 and of its profit for the period then ended, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts. For the year ended 31 December 2004 the company was entitled to the exemption under section 249A(1) and no member or members have requested an audit under section 249B(2).

Approved by the Board



Dated: 14th February 2005

MERCHANTS COURT LIMITED
NOTES TO THE ACCOUNTS BALANCE SHEET
AS AT 31 DECEMBER 2004

1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with the historical cost convention and the Financial Reporting Standard for Smaller Entities.

Turnover represents service charges receivable from members and sundry receipts.

No depreciation is provided on the company's freehold property.

2 FIXED ASSETS

During the period the company acquired the freehold property Merchants Court, The Gangway, Cromer, subject to long leases of the flats comprising the property.

	<u>2004</u>	<u>2003</u>
Freehold Property at cost	£14,588	£ Nil
	=====	=====

3 TAXATION

No tax is payable on the surplus for the period.

4 DEBTORS AND PREPAYMENTS

	<u>2004</u>	<u>2003</u>
Expenses prepaid	£11	£ Nil
	=====	=====

5 DIRECTORS AND EMPLOYEES

There were no directors' emoluments or other salaries paid in the period.

6 CREDITORS AND ACCRUALS

	<u>2004</u>	<u>2003</u>
Creditors	3,125	-
Accrued expenses	618	-
	=====	=====
	£3,743	£ Nil
	=====	=====

MERCHANTS COURT LIMITED
NOTES TO THE ACCOUNTS
AS AT 31 DECEMBER 2004

7 SHARE CAPITAL AND PREMIUM

	<u>2004</u>	<u>2003</u>
Authorised capital – 100 ordinary shares of £1 each	£100 =====	£100 =====
Issued capital, fully paid – 59 ordinary shares of £1 each	£59 =====	£2 =====
Share premium	£14,691 =====	£ Nil =====

During the period 57 ordinary shares of £1 each were issued at a total premium of £14,691 to provide finance for the company.

8 RECONCILIATION OF TOTAL EXPENDITURE IN THE YEAR

	<u>2004</u>	<u>2003</u>
Cash paid during the period	13,751	-
Less: Amounts included in previous accounting period (accruals brought forward)	-	-
Add: Amounts paid in previous accounting period but not included in previous account (prepayments brought forward)	-	-
Less: Paid during the period but not included in the account (prepayments carried forward)	(11)	-
Add: Accruals and provisions	3,743	-
Total expenditure (page 3)	£17,483 =====	£ Nil =====

The above information is provided in accordance with the Landlord and Tenant Acts 1985 and 1987.