

COMPANY REGISTRATION NUMBER 4208979

**THE SHAMBLES
MANAGEMENT COMPANY LIMITED
FINANCIAL STATEMENTS
31 MAY 2004**



MOORE STEPHENS
Chartered Accountants & Registered Auditors
Centurion House
129 Deansgate
Manchester
M3 3WR

THE SHAMBLES MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2004

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THE SHAMBLES MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

F P Reil
J E Kendrick
R N Dean
D Walker
O Carroll

Company secretary

S P Garnett

Registered office

Enterprise House
28 Parkway
Deeside Industrial Park
Deeside
Flintshire
CH5 2NS

Auditors

Moore Stephens
Chartered Accountants
& Registered Auditors
Centurion House
129 Deansgate
Manchester
M3 3WR

THE SHAMBLES MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MAY 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 May 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was to administer and maintain the common parts of the property at The Shambles, Thorneyholme Drive, Knutsford, Cheshire.

BUSINESS REVIEW

The company's balance sheet is detailed on page 7. The directors regularly review income charges to enable the company to meet with future expenditure.

RESULTS AND DIVIDENDS

The results for the year are shown in the income and expenditure account on page 6. The directors do not propose the payment of an ordinary dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors of the company during the year and their interests in the shares of the ultimate holding company David McClean Limited, as recorded in the register of directors' interests were as follows:

		Ordinary Shares of £1 each	
		At	At
		31 May 2004	1 June 2003 or later date of appointment
F P Reil		—	—
J E Kendrick		—	—
R N Dean		—	—
D Walker	(Appointed 14 May 2004)	—	—
O Carroll	(Appointed 14 May 2004)	—	—

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

THE SHAMBLES MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MAY 2004

AUDITORS

A resolution to re-appoint Moore Stephens as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

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

Registered office:
Enterprise House
28 Parkway
Deeside Industrial Park
Deeside
Flintshire
CH5 2NS

Signed by order of the directors



S P GARNETT
Company Secretary

Approved by the directors on 21 March 2005.

THE SHAMBLES MANAGEMENT COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
THE SHAMBLES MANAGEMENT COMPANY LIMITED
YEAR ENDED 31 MAY 2004

We have audited the financial statements of The Shambles Management Company Limited for the year ended 31 May 2004 on pages 6 to 9 which 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 8.

This report is made solely to the company's shareholders, 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 shareholders those matters 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 shareholders 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 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 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.

THE SHAMBLES MANAGEMENT COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
THE SHAMBLES MANAGEMENT COMPANY LIMITED *(continued)*
YEAR ENDED 31 MAY 2004

OPINION

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



MOORE STEPHENS
Chartered Accountants
& Registered Auditors

Centurion House
129 Deansgate
Manchester
M3 3WR

21 March 2005.

THE SHAMBLES MANAGEMENT COMPANY LIMITED
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MAY 2004

	Note	2004 £	2003 £
SERVICE CHARGES	2	4,872	5,579
Administrative expenses		<u>4,147</u>	<u>4,225</u>
OPERATING SURPLUS	3	725	1,354
Interest receivable		<u>18</u>	<u>8</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		743	1,362
Tax on surplus on ordinary activities	4	<u>—</u>	<u>—</u>
RETAINED SURPLUS FOR THE FINANCIAL YEAR		743	1,362

The notes on pages 8 to 9 form part of these financial statements.

THE SHAMBLES MANAGEMENT COMPANY LIMITED

BALANCE SHEET

31 MAY 2004

	Note	2004 £	£	2003 £
CURRENT ASSETS				
Debtors	5	3,015		3,711
Cash at bank		4,001		2,455
		7,016		6,166
CREDITORS: Amounts falling due within one year				
	6	4,115		4,008
NET CURRENT ASSETS			2,901	2,158
TOTAL ASSETS LESS CURRENT LIABILITIES			2,901	2,158
CAPITAL AND RESERVES				
Called-up equity share capital	8		2	2
Income and expenditure account	9		2,899	2,156
SHAREHOLDERS' FUNDS			2,901	2,158

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 21 March 2005 and are signed on their behalf by:



J E KENDRICK
Director

The notes on pages 8 to 9 form part of these financial statements.

THE SHAMBLES MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the income and expenditure account represents amounts invoiced during the year.

2. SERVICE CHARGES

Income represents service charges invoiced, to be used to administer and maintain the common parts of the property at The Shambles, Thorneyholme Drive, Knutsford, Cheshire.

The income for the year was derived from the company's principal activity. None of the income is attributable to markets outside the UK (2003 nil).

3. OPERATING SURPLUS

Operating surplus is stated after charging:

	2004	2003
	£	£
Directors' emoluments	—	—
Auditors' fees	<u>1,058</u>	<u>911</u>

4. TAXATION ON ORDINARY ACTIVITIES

No reserve has been made in the financial statements as all profits are deemed to fall within non-taxable mutual provisions.

5. DEBTORS

	2004	2003
	£	£
Trade debtors	3,015	3,211
Other debtors	—	500
	<u>3,015</u>	<u>3,711</u>

6. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	1,175	—
Other creditors	2,940	4,008
	<u>4,115</u>	<u>4,008</u>

THE SHAMBLES MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2004

7. RELATED PARTY TRANSACTIONS

A resident from each property comprised in the land and buildings maintained by the company is required to be a member as a condition of occupancy. Accordingly all transactions relating to income £4,872 (2003:£5,579), trade debtors £3,015 (2003:£3,211) and service charges in advance £1,608 (2003:£1,299) are related party transactions. The directors are of the opinion that disclosure on an aggregate basis, in the foregoing notes to the financial statements, is sufficient to give a full understanding of the effect of related party transactions.

Currently David McLean Homes (Manchester) Limited hold the issued shares, however on completion of the property the shares will be transferred and the residents will take control of the company.

Void charges on unoccupied apartments, due from the developer, will be calculated on sale of the last apartment. A balance exists at the balance sheet date but is not reflected in the financial statements as no figures have been calculated at this time.

8. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
14 Ordinary shares of £1 each	<u>14</u>	<u>14</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

9. INCOME AND EXPENDITURE ACCOUNT

	2004	2003
	£	£
Balance brought forward	2,156	794
Retained surplus for the financial year	<u>743</u>	<u>1,362</u>
Balance carried forward	<u>2,899</u>	<u>2,156</u>

10. ULTIMATE PARENT COMPANY

The directors regard David McLean Limited to be the ultimate holding company. Copies of the consolidated financial statements of David McLean Limited are available from Enterprise House, 28 Parkway, Deeside Industrial Park, Deeside, Flintshire, CH5 2NS.