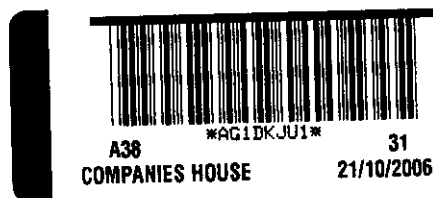


Company Registration No. 04995836 (England and Wales)

CORNWALL HOUSE BRIGHTON LIMITED

**DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 28 SEPTEMBER 2005



Carpenter Box LLP
Chartered Accountants
Grafton Lodge
15 Grafton Road
Worthing
West Sussex
BN11 1QR

CORNWALL HOUSE BRIGHTON LIMITED

COMPANY INFORMATION

Directors	Mr K Denyer Mrs S Price	(Appointed 1 July 2006)
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Secretary	Mrs R Young
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Company number	04995836
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Registered office	Grafton Lodge 15 Grafton Road Worthing West Sussex BN11 1QR
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Accountants	Carpenter Box LLP 19 Grafton Road Worthing West Sussex BN11 1QR
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CORNWALL HOUSE BRIGHTON LIMITED

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CORNWALL HOUSE BRIGHTON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2005

The directors present their report and financial statements for the year ended 28 September 2005.

Principal activities

The principal activity of the company during the year was that of the purchase and administration of the freehold of Cornwall House, Harrington Road, Brighton.

The company acted as nominee on behalf of the members to purchase the freehold of Cornwall House, Harrington Road, Brighton. Upon each being granted long leases the members will give up their right to any interest in the freehold. The remaining part interest in the freehold is for the residents who have yet to become members and purchase their long lease from the company.

Directors

The following directors have held office since 29 September 2004:

Mr K Denyer	
Mrs A Harker	(Resigned 22 May 2006)
Mrs S Price	(Appointed 1 July 2006)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary share of £ 1 each	
	28 September 2005	29 September 2004
Mr K Denyer	1	1
Mrs A Harker	1	1

Directors' responsibilities

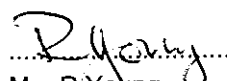
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


Mrs R Young
Secretary
15.11.06

CORNWALL HOUSE BRIGHTON LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF CORNWALL HOUSE BRIGHTON LIMITED

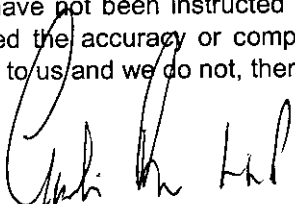
In accordance with the terms of our engagement, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Cornwall House Brighton Limited for the year ended 28 September 2005, set out on pages 3 to 6 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 28 September 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.


Carpenter Box LLP

Chartered Accountants

19th October 2006

19 Grafton Road
Worthing
West Sussex
BN11 1QR

CORNWALL HOUSE BRIGHTON LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 SEPTEMBER 2005

		2005	2004
	Notes	£	£
Income		314	-
Operating costs			
Administrative expenses		(703)	-
Operating deficit		(389)	-
Other interest receivable and similar income	2	9	-
Deficit on ordinary activities before taxation		(380)	-
Taxation	3	-	-
Deficit on ordinary activities after taxation	8	(380)	-

CORNWALL HOUSE BRIGHTON LIMITED

BALANCE SHEET AS AT 28 SEPTEMBER 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	4		20,000		-
Current assets					
Debtors	5	718		-	
Cash at bank and in hand		-		1	
		718		1	
Creditors: amounts falling due within one year	6	(21,088)		-	
Net current (liabilities)/assets			(20,370)		1
Total assets less current liabilities			(370)		1
Capital and reserves					
Called up share capital	7		10		1
Retained profit	8		(380)		-
Members' funds			(370)		1

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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 Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 15/10/06

Mr K Denyer
Director

Mrs S Price
Director

CORNWALL HOUSE BRIGHTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 SEPTEMBER 2005

1 Accounting policies

1.1 Accounting convention

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

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold No depreciation

The members consider that the maintenance of the freehold property has been and will be sufficient to sustain their value over their useful economic lives and that consequently any depreciation would be immaterial. Accordingly, no depreciation has been provided.

2 Investment income	2005 £	2004 £
Bank interest	9	-

3 Taxation

On the basis of these financial statements, no provision has been made for trust and estate tax.

4 Tangible fixed assets

	Land and buildings Freehold £
Cost	
At 29 September 2004	-
Additions	20,000
At 28 September 2005	20,000
Depreciation	
At 29 September 2004 & at 28 September 2005	-
Net book value	
At 28 September 2005	20,000

CORNWALL HOUSE BRIGHTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2005

5	Debtors	2005	2004
		£	£
	Other debtors	718	-
		<u>718</u>	<u>-</u>
6	Creditors: amounts falling due within one year	2005	2004
		£	£
	Other creditors	21,088	-
		<u>21,088</u>	<u>-</u>
7	Share capital	2005	2004
		£	£
	Authorised		
	12 Ordinary share of £1 each	12	12
		<u>12</u>	<u>12</u>
	Allotted, called up and fully paid		
	10 Ordinary share of £1 each	10	1
		<u>10</u>	<u>1</u>
8	Statement of movements on reserves	Retained profit	
		£	
	Retained (deficit) for the year	(380)	
		<u>(380)</u>	

CORNWALL HOUSE BRIGHTON LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 SEPTEMBER 2005

		2005		2004
	£	£	£	£
Income				
Ground rent receivable		314		-
Bank interest received - net		9		-
		<hr/>		<hr/>
		323		-
 Less expenditure				
Legal and prof fees	100		-	
Accountancy	588		-	
Sundry expenses	15		-	
	<hr/>		<hr/>	
		(703)		-
 Deficit of income over expenditure		<hr/>		<hr/>
		(380)		-
		<hr/>		<hr/>