

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31ST MAY 2004

**Registered Number
4846374**

ORMEROD RUTTER LIMITED



PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

COMPANY INFORMATION

Company number: 4846374

Directors: Mr G J Powell
Mrs J A Russell

Secretary: Miss C L Griffin

Registered Office: Whittington Hall
Whittington Road
Worcester
Worcestershire
WR5 2ZX

Auditors: Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich Spa
Worcestershire
WR9 9AY

Managed by: Mainstay Residential Limited
Whittington Hall
Whittington Road
Worcester
Worcestershire
WR5 2ZX

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MAY 2004

CONTENTS

	Page
Directors' Report	1
Auditor's Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes	5 - 6
Those below do not form part of the Statutory Accounts	
Detailed Trading Account - Block F service charge	7
Detailed Trading Account - Block G service charge	8
Detailed Trading Account - Block H service charge	9
Detailed Trading Account - Estate service charge	10
Reconciliation of Movements in Reserves	11 - 12

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST MAY 2004

The directors present their report and the financial statements for the period ended 31st May 2004.

Principal activities

The company's principal activity during the period was that of a property service and management company.

The company was incorporated on 25th July 2003 and commenced its activities during the period. The company also shortened its accounting reference date to 31st May.

Directors' interests

The directors of the company during the period were as follows:

Mr G J Powell	(appointed 2nd October 2003)	
Mrs J A Russell	(appointed 2nd October 2003)	
Mrs H Popham	(appointed 29th July 2003)	(resigned 1st October 2003)

The directors have no interest in the shareholdings of the company.

Responsibilities of the directors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state 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 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 to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

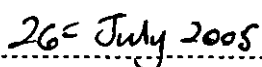
Auditor

The auditor, Ormerod Rutter Limited, Registered Auditor, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

On behalf of the directors


.....
Mrs J A Russell
(Director)


.....
Date

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

FOR THE PERIOD ENDED 31ST MAY 2004

We have audited the financial statements on pages 3 to 6. 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 therein.

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 we are required to state to them in an auditor's 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, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statements of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements under 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 director's 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.

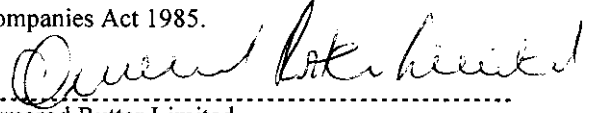
Basis of opinion

We conducted our audit in accordance with 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 find reasonable assurance that the financial statements are free from material misstatements, 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 the company's affairs at 31st May 2004 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


.....
Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich Spa
Worcestershire
WR9 9AY


.....
Date

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST MAY 2004

	Note	2004 £
Turnover	2	80,554
Administrative expenses		(80,554)
Operating profit	3	-
Taxation on ordinary activities		-
Retained profit for the period		<u>£ -</u>

The annexed notes form part of these financial statements.

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

BALANCE SHEET

AS AT 31ST MAY 2004

	Note	2004	
		£	£
Current assets			
Debtors	4	49,586	
Cash at bank and in hand		7,719	
		<hr/>	
		57,305	
Current liabilities			
Amounts falling due within one year	5	(47,710)	
		<hr/>	
Net current assets			9,595
Total assets less current liabilities			<hr/>
			9,595
Net assets			<hr/>
		£	9,595
		<hr/>	
Capital and reserves			
Called up share capital	6		2
Other reserves	7		9,593
			<hr/>
Shareholders' funds		£	9,595
		<hr/>	

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 in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the board on *26.th July 2005.*

..... *J A Russell*

Mrs J A Russell
(Director)

The annexed notes form part of these financial statements.

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MAY 2004

1. Accounting policies

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).

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is a small company.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation purposes, using the full provision method.

2. Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax.

3. Operating profit

	2004
	£
This is stated after charging:	
Auditors' remuneration and expenses	718
	<hr/> <hr/>

4. Debtors

	2004
	£
Due within one year:	
Trade debtors	45,837
Unpaid share capital	2
Prepayments and accrued income	3,747
	<hr/> <hr/>
	£ 49,586

5. Creditors - amounts falling due within one year

	2004
	£
Payments received on account	286
Trade creditors	1,213
Other creditors	12,602
Accruals and deferred income	33,609
	<hr/> <hr/>
	£ 47,710

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31ST MAY 2004

6. Share capital

	2004
	£
Authorised	
Ordinary shares of £1 each	999
Management shares of £1 each	1
	<hr/> 1,000 <hr/>
	£
Allotted, called up and unpaid	
Ordinary shares of £1 each	1
Management shares of £1 each	1
	<hr/> 2 <hr/>

During the year, 1 ordinary share of £1 each and 1 management share of £1 each at par value were issued to form the capital base of the company.

7. Other reserves

	2004
	£
Movement in the year	9,593
Balance as at 31st May 2004	<hr/> £ 9,593 <hr/>

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

DETAILED TRADING ACCOUNT - BLOCK F SERVICE CHARGE

FOR THE PERIOD ENDED 31ST MAY 2004

	Actual 2004	
	£	£
Communal costs		
Communal cleaning	1,589	
Communal window cleaning	282	
Communal electricity	1,520	
Buildings insurance	3,817	
	<hr/>	7,208
Lift maintenance costs		
Lift electricity	20	
Emergency telephone lines	159	
	<hr/>	179
Management and administration		
Management fees	960	
	<hr/>	960
Contribution to reserves		
Cyclical maintenance sinking fund	625	
Renewals sinking fund	1,770	
	<hr/>	2,395
Service charge expenditure		<hr/> 10,742
Contribution from landlord		(1,084)
		<hr/> 9,658
Service charge income		
Service charged demanded		(9,156)
Deficit due from residents	£	<hr/> 502 <hr/>

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

DETAILED TRADING ACCOUNT - BLOCK G SERVICE CHARGE

FOR THE PERIOD ENDED 31ST MAY 2004

	Actual 2004	
	£	£
Communal costs		
Communal cleaning	1,882	
Communal window cleaning	70	
Communal electricity	221	
Buildings insurance	5,853	
	<hr/>	8,026
Management and administration		
Management fees	1,679	
	<hr/>	1,679
Contribution to reserves		
Cyclical maintenance sinking fund	1,094	
Renewals sinking fund	3,098	
	<hr/>	4,192
Service charge expenditure		<hr/> 13,897
Contribution from landlord		(1,769)
		<hr/> 12,128
Service charge income		
Service charged demanded		(14,947)
Surplus		<hr/> <hr/> £ (2,819)

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED
DETAILED TRADING ACCOUNT - BLOCK H SERVICE CHARGE
FOR THE PERIOD ENDED 31ST MAY 2004

	Actual 2004	
	£	£
Communal costs		
Communal cleaning	963	
Communal window cleaning	47	
Communal electricity	355	
Buildings insurance	2,907	
	<hr/>	
		4,272
Management and administration		
Management fees	852	
	<hr/>	
		852
Contribution to reserves		
Cyclical maintenance sinking fund	469	
Renewals sinking fund	1,328	
	<hr/>	
		1,797
Service charge expenditure		<hr/>
		6,921
Contribution from landlord		(672)
		<hr/>
		6,249
Service charge income		
Service charged demanded		(7,245)
		<hr/>
Surplus	£	(996)
		<hr/> <hr/>

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED
DETAILED TRADING ACCOUNT - ESTATE SERVICE CHARGE
FOR THE PERIOD ENDED 31ST MAY 2004

	Actual 2004	
	£	£
Concierge costs		
Salary	15,018	
National insurance	1,292	
Rent and rates	2,232	
	<hr/>	18,542
Communal costs		
Landscape maintenance	117	
Telephone	540	
Energy costs	1,045	
Water	5,091	
Day to day maintenance	509	
	<hr/>	7,302
Management and administration		
Management fees	7,344	
Enhanced management fees	13,130	
Company secretarial fees	529	
Annual return fee	15	
Audit fees	718	
Accountancy fees	227	
Bank charges (net of interest)	(22)	
	<hr/>	21,941
Contribution to reserves		
Cyclical maintenance sinking fund	266	
Renewals sinking fund	943	
	<hr/>	1,209
Service charge expenditure		48,994
Contribution from landlord		(5,872)
		<hr/>
		43,122
Service charge income		
Service charged demanded		(52,399)
Surplus		<hr/>
	£	(9,277)
		<hr/>

Note

1 - In addition to the standard annual management fee, a fee of £13,130 (including VAT) is payable by the residents during the first 12 months of ownership. This fee covers the exceptional costs of managing a site in the early months immediately following the service charge going live. This fee averages £75 per leaseholder (plus VAT).

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

RECONCILIATION OF MOVEMENT IN RESERVES

FOR THE PERIOD ENDED 31ST MAY 2004

BLOCK F SERVICE CHARGE RESERVES

	2004	
	£	£
Cyclical maintenance sinking fund		
Service charge contribution	625	
	<hr/>	625
Renewals sinking fund		
Service charge contribution	1,770	
	<hr/>	1,770
Reserves carried forward		<hr/> <hr/> £ 2,395

BLOCK G SERVICE CHARGE RESERVES

	2004	
	£	£
Cyclical maintenance sinking fund		
Service charge contribution	1,094	
	<hr/>	1,094
Renewals sinking fund		
Service charge contribution	3,098	
	<hr/>	3,098
Reserves carried forward		<hr/> <hr/> £ 4,192

BLOCK H SERVICE CHARGE RESERVES

	2004	
	£	£
Cyclical maintenance sinking fund		
Service charge contribution	469	
	<hr/>	469
Renewals sinking fund		
Service charge contribution	1,328	
	<hr/>	1,328
Reserves carried forward		<hr/> <hr/> £ 1,797

PROSPECT PLACE MANAGEMENT (CARDIFF) LIMITED

RECONCILIATION OF MOVEMENT IN RESERVES (continued)

FOR THE PERIOD ENDED 31ST MAY 2004

ESTATE SERVICE CHARGE RESERVES

	2004	
	£	£
Cyclical maintenance sinking fund		
Service charge contribution	<u>266</u>	266
Renewals sinking fund		
Service charge contribution	<u>943</u>	943
Reserves carried forward		<u><u>£ 1,209</u></u>