

Registered number:
2279323

**POSOL RESIDENTS
MANAGEMENT COMPANY LIMITED**

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2004

MARTIN GEE
CHARTERED ACCOUNTANTS

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

Contents

Company information	1
Directors' report	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
Detailed profit and loss account	10

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED
COMPANY INFORMATION

DIRECTORS

A J Michael (resigned 21/11/03)
J M Lowrie
A F Matthews (resigned 21/11/03)
P Mellor
J A D Palmer
J Shaw
R G Sillence
B Collins (resigned 15 September 2004)
J Wood (appointed 27/6/03)

SECRETARY

C J March (appointed 03/09/04)

AUDITORS

Martin Gee
The New Forest Estate Offices
Lyndhurst Road
Brockenhurst
Hampshire
SO42 7RL

REGISTERED OFFICE

5 Sovereign Gate
308-314 Commercial Road
Portsmouth
PO1 4BL

REGISTERED NUMBER

2279323

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

The directors present their annual report together with the audited financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year continued to be that of acting on behalf of the owners of homes and berths as the management company of the communal areas for the properties located at Sennen Place, Carne Place, Kelsey Head, Newlyn Way, Carbis Close, Cadgwith Place, Holywell Drive, Bryher Island, Tintagel Way, Mullion Close and Coverack Way at Port Solent, North Harbour, Portsmouth, Hampshire.

DIRECTORS

The directors who held office during the year and their beneficial interest in the issued share capital of the company were as follows:

	<u>31 March 2004</u>	<u>1 April 2003</u>
Class A ordinary shares of £1 each		
A J Michael (resigned 21/11/03)	1	1
J M Lowrie	1	1
A F Matthews (resigned 21/11/03)	1	1
P Mellor	1	1
J A D Palmer	1	1
J Shaw	1	1
R G Sillence	1	1
B Collins (resigned 15 September 2004)	1	1
J Wood (appointed 27/6/03)	1	1
Class B shares of £1 each		
A F Matthews (resigned 21/11/03)	1	1
P Mellor	1	1
J A D Palmer	1	1
J Shaw	1	1
R G Sillence	1	1
B Collins (resigned 15 September 2004)	1	1
J Wood (appointed 27/6/03)	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 as at the end of the financial year 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 maintaining 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. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004****(continued)**

AUDITORS

The auditors, Martin Gee, will be proposed for re-election in accordance with Section 384 of the Companies Act 1985.

APPROVAL BY THE BOARD

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies in the preparation of this report.

Approved by the board of directors on 12 November 2004 and signed on their behalf by:

C J March
Secretary

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements of Posol Residents Management Company Limited which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention the accounting policies set out therein and the Financial Reporting Standards.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and the financial reporting standards.

It is our responsibility to audit the financial statements in accordance with the 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 to ensure 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of the result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Martin Gee
Registered Auditors and
Chartered Accountants

The New Forest Estate Offices
Lyndhurst Road
Brockenhurst
Hampshire
SO42 7RL

12 November 2004

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	<i>Note</i>	£	<u>2004</u> £	£	<u>2003</u> £
INCOME RECEIVABLE	2		335,057		315,548
Administration expenses		308,596		297,374	
			<u>308,596</u>		<u>297,374</u>
EXCESS OF INCOME OVER EXPENDITURE	3		26,461		18,174
Interest receivable			2,225		1,706
Other Income			<u>2,386</u>		<u>17,159</u>
TOTAL EXCESS INCOME AFTER EXPENSES			31,072		37,039
TAXATION on bank interest receivable and sale of berth	5		-		-
EXCESS income after tax			31,072		37,039
Amount due to residents			(15,050)		(24,018)
Transfer to sinking funds			<u>(16,022)</u>		<u>(13,021)</u>
RESULT FOR THE YEAR			<u>-</u>		<u>-</u>

None of the company's activities were acquired or discontinued during the above two years.

There were no recognised gains nor losses other than those included in the profit and loss account.

The notes on pages 7 to 9 form part of these financial statements.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

BALANCE SHEET - 31 MARCH 2004

	<i>Note</i>	£	<u>2004</u> £	£	<u>2003</u> £
CURRENT ASSETS					
Debtors	6	13,964		17,304	
Cash at bank and in hand		<u>188,671</u>		<u>157,948</u>	
		202,635		175,252	
CREDITORS: amounts falling due within one year	7	<u>104,107</u>		<u>92,746</u>	
NET CURRENT ASSETS			<u>98,528</u>		<u>82,506</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£98,528</u>		<u>£82,506</u>
CAPITAL AND RESERVES					
Called up share capital	8		733		733
Sinking funds			<u>97,795</u>		<u>81,773</u>
SHAREHOLDERS' FUNDS	9		<u>£98,528</u>		<u>£82,506</u>

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies in the preparation of the accounts.

Approved by the board of directors on 12 November 2004 and signed on its behalf.

J A D Palmer
Director

R G Sillence
Director

The notes on pages 7 to 9 form part of these financial statements.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004

1 ACCOUNTING POLICIES

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below.

Basis of accounting

The financial statements have been prepared in accordance with accounting standards under the historical cost convention.

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

2 AMOUNTS DUE FROM RESIDENTS

The amount due from residents is stated net of the specific bad debt provision of £Nil (2003:£411). Management are of the opinion that all other amounts due from residents are fully recoverable.

3 OPERATING PROFIT

The operating profit is stated after charging:

	<u>2004</u>	<u>2003</u>
	£	£
Auditors' remuneration	<u>3,084</u>	<u>3,084</u>

4 DIRECTORS' REMUNERATION

The directors received no emoluments for their services. (2003:£Nil)

5 TAXATION

No corporation tax is due on the current years bank interest as it falls below the current threshold of £10,000.

6 DEBTORS

	<u>2004</u>	<u>2003</u>
	£	£
Amounts due from residents	<u>7,246</u>	<u>11,608</u>
Prepayments	<u>6,718</u>	<u>5,696</u>
	<u>13,964</u>	<u>17,304</u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004

(continued)

7 CREDITORS: amounts falling due within one year

	<u>2004</u>	<u>2003</u>
	£	£
Amounts owed to residents	41,252	32,611
Other creditors	28,908	28,031
Accruals	33,947	32,104
	<u>104,107</u>	<u>92,746</u>

8 CALLED UP SHARE CAPITAL

	<u>2004</u>	<u>2003</u>
	£	£
Authorised		
Class A ordinary shares of £1 each	439	439
Class B shares of £1 each	360	360
Deferred share of £1	1	1
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
Class A ordinary shares of £1 each	423	423
Class B shares of £1 each	309	309
Deferred share of £1	1	1
	<u>733</u>	<u>733</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2004</u>	<u>2003</u>
	£	£
Excess income over expenditure for the year	31,072	37,039
Amount due to residents	(15,050)	(24,018)
	<u> </u>	<u> </u>
Amount transferred to sinking funds	16,022	13,021
Shareholders' funds at 1 April 2003	82,506	69,485
	<u> </u>	<u> </u>
Shareholders' funds at 31 March 2004	<u>98,528</u>	<u>82,506</u>
Analysis of shareholders' funds		
Equity interests		
Ordinary shares of £1 each	732	732
Sinking funds	97,795	81,773
	<u> </u>	<u> </u>
	98,527	82,505
Non-equity interests		
Deferred share	1	1
	<u> </u>	<u> </u>
	<u>98,528</u>	<u>82,506</u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004

(continued)

10 SINKING FUND RESERVES

	<u>2004</u>	<u>2003</u>
	£	£
Balance at 1 April 2003	81,773	68,752
Transfer to sinking funds for the year	<u>16,022</u>	<u>13,021</u>
Balance at 31 March 2004	<u><u>97,795</u></u>	<u><u>81,773</u></u>

The amount transferred to the sinking funds for the year was 10% of the Port Solent Charge which falls within the limit set for the maximum level of transfer to the sinking funds being 6% of all costs, charges and expenses.

11 TELEVISION EXPENSES

The television expenses for the year includes the write back of a previously provided amount of £8,353 which is no longer considered necessary.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	<u>2004</u>	<u>BUDGET</u>	<u>2003</u>
	£	£	£
SERVICE CHARGES RECEIVABLE	335,057	<i>335,130</i>	<i>315,548</i>
DEDUCT: EXPENSES			
Port Solent charge	160,225	<i>161,994</i>	<i>130,209</i>
Insurance	27,251	<i>24,100</i>	<i>23,558</i>
Ground maintenance and related fees	36,471	<i>35,754</i>	<i>45,217</i>
Landscaping renewal project	26,628	<i>18,246</i>	<i>16,351</i>
Water	468	<i>405</i>	<i>581</i>
Audit and accountancy fees	3,084	<i>3,098</i>	<i>3,084</i>
Sundry expenses	410	<i>1,000</i>	<i>60</i>
Communications and web site	234	<i>1,500</i>	<i>1,069</i>
Legal and professional fees	10,965	<i>18,690</i>	<i>7,645</i>
Printing and copying	6,129	<i>5,500</i>	<i>8,697</i>
Room hire for board meetings and AGM	633	<i>500</i>	<i>1,556</i>
Managing agent's fees	25,066	<i>25,066</i>	<i>24,336</i>
Company secretarial fees	7,085	<i>10,080</i>	<i>6,258</i>
Pontoon repairs	9,829	<i>9,000</i>	<i>7,006</i>
Television	(6,369)	<i>3,000</i>	<i>2,107</i>
Waterside security	248	<i>1,000</i>	<i>19,388</i>
Bank charges	239	<i>-</i>	<i>252</i>
Total expenses	(308,596)	<i>(318,933)</i>	<i>(297,374)</i>
Total income less expenses	26,461		<i>18,174</i>
OTHER INCOME			
Interest receivable	2,225		<i>1,706</i>
Other income	2,386		<i>17,159</i>
EXCESS INCOME before taxation	31,072		<i>37,039</i>
Amount due to residents	(15,050)		<i>(24,018)</i>
Transfer to sinking funds	(16,022)	<i>(16,199)</i>	<i>(13,021)</i>
	-		<i>-</i>