

Registered number:  
2279323

**POSOL RESIDENTS  
MANAGEMENT COMPANY LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2005**

**MARTIN GEE**  
CHARTERED ACCOUNTANTS

# POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

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## 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**

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**DIRECTORS**

R G Sillence - Chairman  
J Shaw - Deputy chairman  
I H Currie  
J M Lowrie  
J A D Palmer

**SECRETARY**

C J March

**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 2005

The directors present their annual report together with the audited financial statements of the company for the year ended 31 March 2005.

### 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 2005</u>	<u>1 April 2004</u>
Class A ordinary shares of £1 each		
R G Sillence - Chairman	1	1
J Shaw - Deputy chairman	1	1
I H Currie	1	1
J M Lowrie	1	1
J A D Palmer	1	1
Class B shares of £1 each		
R G Sillence - Chairman	1	1
J Shaw - Deputy chairman	1	1
I H Currie	1	1
J A D Palmer	1	1

I H Currie was appointed a director on 12 November 2004. B Collins resigned as a director on 15 September 2004 and both P Mellor and C J Wood resigned as directors on 12 November 2004. Each of the former directors held both a class A and class B share.

### 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 2005****(continued)**

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**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 23 September 2005 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 2005 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

# POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	<i>Note</i>	£	<u>2005</u> £	£	<u>2004</u> £
INCOME RECEIVABLE	2		354,815		335,057
Administration expenses		<u>357,765</u>		<u>308,596</u>	
			<u>357,765</u>		<u>308,596</u>
OPERATING LOSS/(2004 OPERATING PROFIT)	3		(2,950)		26,461
Interest receivable			4,109		2,225
Other Income			<u>2,281</u>		<u>2,386</u>
TOTAL EXCESS INCOME AFTER EXPENSES			<u>3,440</u>		<u>31,072</u>
TAXATION	5		-		-
EXCESS income after tax			<u>3,440</u>		<u>31,072</u>
Amount due from / (to) residents			18,026		(15,050)
Transfer to sinking funds			<u>(21,466)</u>		<u>(16,022)</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.

# POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

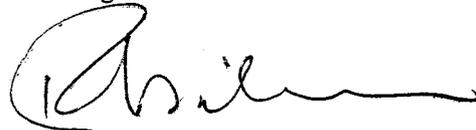
## BALANCE SHEET - 31 MARCH 2005

	<i>Note</i>	£	<u>2005</u> £	£	<u>2004</u> £
<b>CURRENT ASSETS</b>					
Debtors	6	26,738		13,964	
Cash at bank and in hand		<u>186,473</u>		<u>188,671</u>	
		213,211		202,635	
<b>CREDITORS: amounts falling due within one year</b>					
	7	<u>93,217</u>		<u>104,107</u>	
<b>NET CURRENT ASSETS</b>			<u>119,994</u>		<u>98,528</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>£119,994</u>		<u>£98,528</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		733		733
Sinking funds			<u>119,261</u>		<u>97,795</u>
<b>SHAREHOLDERS' FUNDS</b>	9		<u>£119,994</u>		<u>£98,528</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 23 September 2005 and signed on its behalf.

  
J A D Palmer  
Director

  
R G Sillence  
Director

# POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005

### 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 £2,418 (2004:£Nil). 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>2005</u>	<u>2004</u>
	£	£
Auditors' remuneration	<u>3,172</u>	<u>3,084</u>

### 4 DIRECTORS' REMUNERATION

The directors received no emoluments for their services. (2004:£Nil)

### 5 TAXATION

No corporation tax is due on the current year's or previous year's bank interest as it falls below the current threshold of £10,000.

### 6 DEBTORS

	<u>2005</u>	<u>2004</u>
	£	£
Amounts due from residents	23,666	7,246
Prepayments	<u>3,072</u>	<u>6,718</u>
	<u>26,738</u>	<u>13,964</u>

Amounts due from residents comprises outstanding service charges for the year of £5,640 not collected by the year end and also an amount of £18,026 due to be levied to residents brought about by a shortfall in the service charges invoiced for the current year.

# POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005

(continued)

### 7 CREDITORS: amounts falling due within one year

	<u>2005</u>	<u>2004</u>
	£	£
Amounts owed to residents	15,050	41,252
Other creditors	31,193	28,908
Accruals	46,974	33,947
	<u>93,217</u>	<u>104,107</u>

### 8 CALLED UP SHARE CAPITAL

	<u>2005</u>	<u>2004</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>733</u>	<u>733</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>2005</u>	<u>2004</u>
	£	£
Excess income over expenditure for the year	3,440	31,072
Amount due from / (to) residents	18,026	(15,050)
Amount transferred to sinking funds	21,466	16,022
Shareholders' funds at 1 April 2004	98,528	82,506
Shareholders' funds at 31 March 2005	<u>119,994</u>	<u>98,528</u>
<b>Analysis of shareholders' funds</b>		
<b>Equity interests</b>		
Ordinary shares of £1 each	732	732
Sinking funds	119,261	97,795
	<u>119,993</u>	<u>98,527</u>
<b>Non-equity interests</b>		
Deferred share	1	1
	<u>119,994</u>	<u>98,528</u>

# POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005

(continued)

### 10 SINKING FUND RESERVES

	<u>2005</u>	<u>2004</u>
	£	£
Balance at 1 April 2004	97,795	81,773
Transfer to sinking funds for the year	<u>21,466</u>	<u>16,022</u>
Balance at 31 March 2005	<u><u>119,261</u></u>	<u><u>97,795</u></u>

The Sinking Fund was established some years ago to allow the company to set aside funds for the future replacement of estate and pontoon facilities for which the company is responsible at the end of their life. The board considers that the time has come to increase the amount set aside from income to the sinking fund each year to 6 % of the year's expenditure as provided for in the company's Articles of Association.

# POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	<u>2005</u> £	<u>BUDGET</u> £	<u>2004</u> £
<b>SERVICE CHARGES RECEIVABLE</b>	354,815	354,954	335,057
<b>DEDUCT: EXPENSES</b>			
Port Solent charge	170,231	166,645	160,225
Insurance	16,572	24,823	27,251
Ground maintenance and related fees	35,721	39,609	36,471
Landscaping renewal project	60,301	25,871	26,628
Water	891	750	468
Audit and accountancy fees	3,172	3,193	3,084
Communications and web site	1,191	2,000	234
Legal and professional fees	16,072	20,328	10,965
Managing agent's fees	25,818	25,816	25,066
Managing agent's expenses	6,169	9,547	7,172
Company secretarial fees	7,079	7,532	7,085
Pontoon repairs	10,105	10,000	9,829
Television	1,374	1,175	(6,369)
Waterside security	146	200	248
Bank charges	505	-	239
Bad debts	2,418	-	-
Total expenses	<u>(357,765)</u>	<u>(337,489)</u>	<u>(308,596)</u>
Total income less expenses	<u>(2,950)</u>		<u>26,461</u>
<b>OTHER INCOME</b>			
Interest receivable	4,109		2,225
Other income	2,281		2,386
<b>EXCESS INCOME before taxation</b>	<u>3,440</u>		<u>31,072</u>
Amount due from / (to) residents	18,026		(15,050)
Transfer to sinking funds	<u>(21,466)</u>	<u>(16,665)</u>	<u>(16,022)</u>
	<u>-</u>	<u>-</u>	<u>-</u>

The costs of a landscape renewal project commissioned and started in 2003-2004 but invoiced after the year end have been taken into the 2004-2005 accounts. The budget which was prepared prior to knowing about the deferred expenditure above, also assumed a £10,000 contribution from the sale of an asset - a garage- which did not materialise during the year.