

COMPANY REGISTRATION NUMBER 2279323

POSOL RESIDENTS MANAGEMENT COMPANY
LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st MARCH 2008

TAYLOR COCKS

Chartered Accountants & Registered Auditors

3 Acorn Business Centre

Northarbour Road

Cosham

Portsmouth

PO6 3TH

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

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POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	R.G. Sillence - Chairman W.A. Charles I.H. Currie J.M. Lowrie D.M. Turner M. Sandall
Company secretary	I.H. Currie
Registered office	5 Sovereign Gate 308-314 Commercial Road Portsmouth Hampshire PO1 4BL
Auditor	Taylor Cocks Chartered Accountants & Registered Auditors 3 Acorn Business Centre Northarbour Road Cosham Portsmouth PO6 3TH

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st MARCH 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2008.

PRINCIPAL ACTIVITIES

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.

THE DIRECTORS

The directors who served the company during the year were as follows:

R.G. Sillence

W.A Charles (appointed 15/06/2007)

I.H. Currie

T.G. Evans (resigned 23/11/2007)

J.M. Lowrie

Mrs G.P. Marriott (resigned 11/08/2008)

D.M. Turner (appointed 15/06/2007)

J. Shaw (resigned 15/06/2007)

M. Sandall (appointed 16/05/2008)

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2008

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 result of the company for that year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 9, 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.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditors are unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

INSURANCE

During the year £840 (2007 - £nil) was expensed by the company in respect of Directors and officers liability insurance.

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

Signed by order of the directors

IAN H CURRIE

Company Secretary

Approved by the directors on 15 August 2008

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

YEAR ENDED 31st MARCH 2008

We have audited the financial statements of POSOL Residents Management Company Limited for the year ended 31st March 2008 on pages 7 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on page 9.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
POSOL RESIDENTS MANAGEMENT COMPANY LIMITED *(continued)*

YEAR ENDED 31st MARCH 2008

OPINION

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2008 and of its result for the year then ended;

the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Directors' Report is consistent with the financial statements for the year ended 31st March 2008.

TAYLOR COCKS

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
PO6 3TH

Chartered Accountants
& Registered Auditors

15 August 2008

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INCOME STATEMENT

31st MARCH 2008

		2008 £	2007 £
INCOME RECEIVABLE		390,566	372,714
Administrative expenses		378,579	362,129
Other operating income		(3,132)	(4,921)
OPERATING SURPLUS	2	<u>15,119</u>	<u>15,506</u>
Interest receivable		13,252	11,959
TOTAL EXCESS INCOME AFTER EXPENSES		<u>28,371</u>	<u>27,465</u>
Tax on interest receivable	3	2,650	2,272
EXCESS income after tax		<u>25,721</u>	<u>25,193</u>
Release of aged barred creditors		10,000	10,000
EXCESS income for the year		<u>35,721</u>	<u>35,193</u>
Amount due to shareholders		(14,364)	(14,329)
Transfer to sinking funds:			
- 3% of administrative expenses		(11,357)	(10,864)
- release of creditors		(10,000)	(10,000)
RESULT FOR THE YEAR		<u><u>-</u></u>	<u><u>-</u></u>

All of the activities of the company are classed as continuing.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

BALANCE SHEET

31st MARCH 2008

	Note	2008		2007	
		£	£	£	£
FIXED ASSETS	4		29,405		29,405
CURRENT ASSETS					
Debtors	5	5,179		12,076	
Cash at bank		285,003		276,622	
		<u>290,182</u>		<u>288,698</u>	
CREDITORS: Amounts falling due within one year	6	<u>88,665</u>		<u>108,538</u>	
NET CURRENT ASSETS			<u>201,517</u>		<u>180,160</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>230,922</u>		<u>209,565</u>
CAPITAL AND RESERVES					
Called-up equity share capital	7		734		734
Revaluation reserve	8		29,405		29,405
Sinking funds	10		<u>200,783</u>		<u>179,426</u>
SHAREHOLDERS' FUNDS			<u>230,922</u>		<u>209,565</u>

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 January 2007).

These financial statements were approved by the directors on the 15 August 2008 and are signed on their behalf by:

I.H. CURRIE – DIRECTOR

R.G. SILLENCE – DIRECTOR

The notes on pages 10 to 12 form part of these financial statements.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

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 January 2007).

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standards for Smaller Entities (effective January 2007). This is a change in policy from the previously adopted Financial Reporting Standards for Smaller Entities (effective June 2005), however this has no impact on the results for the current period.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) not to include a cash flow statement in the financial statements on the grounds that the company is small.

Income receivable

The income receivable represents the amounts received and due from shareholders. Management are of the opinion that all amounts due from shareholders are fully recoverable.

2. OPERATING SURPLUS

Operating surplus is stated after charging:

	2008	2007
	£	£
Auditor's fees	<u>3,173</u>	<u>3,270</u>

The directors received no emoluments for their services (2007 – £nil). In his capacity as Company Secretary, Mr I.H. Currie received fees of £3,000 (2007 – £3,000).

3. TAXATION ON INTEREST RECEIVABLE

	2007	2006
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2007–19%)	<u>2,650</u>	<u>2,272</u>
Total current tax	<u>2,650</u>	<u>2,272</u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

4. FIXED ASSETS – Land and Buildings

	2008	2007
	£	£
Balance as at 1 April 2007	29,405	29,405
Balance as at 31 March 2008	<u>29,405</u>	<u>29,405</u>

5. DEBTORS

	2008	2007
	£	£
Amounts due from shareholders	2,129	4,778
Other debtors	–	4,248
Prepayments	3,050	3,050
	<u>5,179</u>	<u>12,076</u>

Amounts due from shareholders comprises of outstanding service charges for the year of £2,129 (2007 - £4,778) not collected by the year-end.

6. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Amounts owed to shareholders	28,693	33,034
Other creditors	14,997	23,089
Trade creditors	34,967	40,757
Corporation tax	2,650	389
Accruals	7,358	11,269
	<u>88,665</u>	<u>108,538</u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

7. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
439 Class A ordinary shares of £1 each	439	439
360 Class B ordinary shares of £1 each	360	360
1 Deferred share of £1 each	1	1
	<u>800</u>	<u>800</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Class A ordinary shares of £1 each	423	423	423	423
Class B ordinary shares of £1 each	310	310	310	310
Deferred share of £1 each	1	1	1	1
	<u>734</u>	<u>734</u>	<u>734</u>	<u>734</u>

8. REVALUATION RESERVE

	2008	2007
	£	£
Balance at 1 April 2007	29,405	29,405
Balance at 31 March 2008	<u>29,405</u>	<u>29,405</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Excess income over expenditure for the year	35,721	35,193
Amount due to shareholders	(14,364)	(14,329)
Amount transferred to sinking funds	21,357	20,864
Other recognised gains in the year	-	-
Shareholders' funds at 1 April 2007	<u>209,565</u>	188,701
Shareholders' funds at 31 March 2008	<u>230,922</u>	<u>209,565</u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

10. SINKING FUND RESERVES

	2008	2007
	£	£
Balance at 1 April 2007	179,426	158,562
Transfer from revaluation reserve on realisation	–	–
Transfer to sinking funds for the year	<u>21,357</u>	<u>20,864</u>
Balance at 31 March 2008	<u>200,783</u>	<u>179,426</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.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31st MARCH 2008

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 5 to 6.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DETAILED INCOME STATEMENT

YEAR ENDED 31st MARCH 2008

	2008 £	2008 Budget £	2007 £
SERVICE CHARGES RECEIVABLE	390,566	390,566	372,714
OVERHEADS			
Expenditure	<u>378,579</u>	<u>388,870</u>	<u>362,129</u>
	11,987	1,696	10,585
OTHER OPERATING INCOME			
Other income	<u>3,132</u>	<u>2,000</u>	<u>4,921</u>
OPERATING SURPLUS	<u>15,119</u>	<u>3,696</u>	<u>15,506</u>
Interest receivable	<u>13,252</u>	<u>9,839</u>	<u>11,959</u>
TOTAL EXCESS INCOME AFTER EXPENSES	<u>28,371</u>	<u>13,535</u>	<u>27,465</u>
Release of aged barred creditors	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS INCOME BEFORE TAXATION	<u>38,371</u>	<u>13,535</u>	<u>37,465</u>
Tax on interest receivable	<u>2,650</u>	<u>1,869</u>	<u>2,272</u>
TOTAL EXCESS INCOME FOR YEAR	<u><u>35,721</u></u>	<u><u>11,666</u></u>	<u><u>35,193</u></u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE DETAILED INCOME STATEMENT

YEAR ENDED 31st MARCH 2008

	2008 £	2008 Budget £	2007 £
EXPENDITURE			
Port Solent charge			
Port Solent charge	153,076	153,076	147,189
Estate			
Landscape maintenance	78,326	81,699	79,800
Estate Security	9,739	6,500	7,962
Estate Maintenance	4,471	11,125	2,476
Television system maintenance	1,182	2,068	1,519
	<u>93,718</u>	<u>101,392</u>	<u>91,757</u>
Berths			
Pontoon repairs	265	10,000	8,690
Administration			
Audit fee	3,290	3,120	3,270
Professional fees	35,237	20,000	19,901
Directors' Expenses	-	-	-
Management Company Expenses	76,006	84,151	75,761
Insurance	13,020	13,606	11,835
Communication with shareholders	3,006	2,500	2,653
Sundry Expenses	5	-	104
	<u>130,564</u>	<u>123,377</u>	<u>113,524</u>
Tax and Rates			
Water rates	956	1,025	969
	<u><u>378,579</u></u>	<u><u>388,870</u></u>	<u><u>362,129</u></u>