

COMPANY REGISTRATION NUMBER 02279323

POSOL RESIDENTS MANAGEMENT COMPANY
LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st MARCH 2011

taylorcocks RESIDENTS

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 | N.D. Hewitson - Chairman R.G. Sillence I.H. Currie M. Sandall B. White M.D. Slack A.M Sinton-Gerry |
| Company secretary | I.H. Currie |
| Registered office | 2 The Gardens Office Village Fareham Hampshire PO16 8SS |
| Auditor | taylorcocks 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 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2011.

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:

N.D. Hewitson

R.G. Sillence

I.H. Currie

M. Sandall

B. White

M.D. Slack

A.M. Sinton-Gerry

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2011

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

INSURANCE

During the year £1,030 (2010 - £840) 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 15 of the Companies Act 2006.

Registered office:
2 The Gardens
Office Village
Fareham
Hampshire
PO16 8SS

Signed by order of the directors

I.H. CURRIE

Director

Approved by the directors on.....

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

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

YEAR ENDED 31st MARCH 2011

We have audited the financial statements of POSOL Residents Management Company Limited for the year ended 31st March 2011. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state 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 explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2011 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

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

YEAR ENDED 31st MARCH 2011

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Graham Figgins (Senior Statutory Auditor)

For and on behalf of

taylorcocks | chartered accountants
& statutory auditors

Office: Portsmouth

Date:

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INCOME STATEMENT

31st MARCH 2011

| | | 2011 £ | 2010 £ |
|--|---|-----------------|-----------------|
| INCOME RECEIVABLE | | 402,974 | 391,120 |
| Administrative expenses | | 353,029 | 365,416 |
| Other operating income | | (4,309) | (2,462) |
| OPERATING SURPLUS | 2 | <u>54,254</u> | <u>28,166</u> |
| Interest receivable | | 1,825 | 2,949 |
| TOTAL EXCESS INCOME AFTER EXPENSES | | <u>56,079</u> | <u>31,115</u> |
| Tax on interest receivable | 3 | 383 | 619 |
| EXCESS income for the year | | <u>55,696</u> | <u>30,496</u> |
| Amount due to shareholders | | (39,810) | (19,534) |
| Transfer to sinking funds: Based on 4.5% of administrative expenses (2010 - 3.0%) | | (15,886) | (10,962) |
| 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 2011

| | Note | 2011 £ | 2010 £ |
|--|------|----------------|----------------|
| FIXED ASSETS | 4 | 29,405 | 29,405 |
| CURRENT ASSETS | | | |
| Debtors | 5 | 10,228 | 8,982 |
| Cash at bank | | 317,770 | 313,539 |
| | | <u>327,998</u> | <u>322,521</u> |
| CREDITORS: Amounts falling due within one year | 6 | 78,091 | 88,500 |
| NET CURRENT ASSETS | | <u>249,907</u> | <u>234,021</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>279,312</u> | <u>263,426</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 7 | 733 | 733 |
| Revaluation reserve | 8 | 29,405 | 29,405 |
| Sinking funds | 10 | 249,174 | 233,288 |
| SHAREHOLDERS' FUNDS | | <u>279,312</u> | <u>263,426</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2008).

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

I.H. CURRIE – DIRECTOR

N.D. HEWITSON – DIRECTOR

Company Registration Number: 02279323

The notes on pages 9 to 12 form part of these financial statements.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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:

| | 2011 | 2010 |
|----------------|--------------|--------------|
| | £ | £ |
| Auditor's fees | <u>3,758</u> | <u>3,400</u> |

The directors received no emoluments for their services (2010 – £nil). In his capacity as Company Secretary, Mr I.H. Currie received fees of £ 3,000 (2010 – £3,000).

3. TAXATION ON INTEREST RECEIVABLE

| | 2011 | 2010 |
|--|------------|------------|
| | £ | £ |
| Current tax: | | |
| In respect of the year: | | |
| UK Corporation tax based on the results for the year at 21% (2010–21%) | 265 | 619 |
| Income tax deducted at source | <u>118</u> | - |
| Total current tax | <u>383</u> | <u>619</u> |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2011

4. FIXED ASSETS – Land and Buildings

| | 2011 £ | 2010 £ |
|-----------------------------|---------------|---------------|
| Balance as at 1 April 2010 | 29,405 | 29,405 |
| Balance as at 31 March 2011 | <u>29,405</u> | <u>29,405</u> |

5. DEBTORS

| | 2011 £ | 2010 £ |
|-------------------------------|---------------|--------------|
| Amounts due from shareholders | 7,872 | 4,237 |
| Prepayments | 2,356 | 4,745 |
| | <u>10,228</u> | <u>8,982</u> |

Amounts due from shareholders comprises of outstanding service charges for the year.

6. CREDITORS: Amounts falling due within one year

| | 2011 £ | 2010 £ |
|------------------------------|---------------|---------------|
| Amounts owed to shareholders | 59,348 | 45,340 |
| Other creditors | 7,135 | 6,160 |
| Trade creditors | 4,783 | 32,217 |
| Corporation tax | 265 | 619 |
| Accruals | 6,560 | 4,164 |
| | <u>78,091</u> | <u>88,500</u> |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2011

7. SHARE CAPITAL

Authorised share capital:

| | 2011 | 2010 |
|--|------------|------------|
| | £ | £ |
| 439 Class A ordinary shares of £1 each | 439 | 439 |
| 360 Class B ordinary shares of £1 each | 360 | 360 |
| | <u>799</u> | <u>799</u> |
| | <u>799</u> | <u>799</u> |

Allotted, called up and fully paid:

| | 2011 | | 2010 | |
|------------------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| Class A ordinary shares of £1 each | 423 | 423 | 423 | 423 |
| Class B ordinary shares of £1 each | 310 | 310 | 310 | 310 |
| | <u>733</u> | <u>733</u> | <u>733</u> | <u>733</u> |
| | <u>733</u> | <u>733</u> | <u>733</u> | <u>733</u> |

8. REVALUATION RESERVE

| | 2011 | 2010 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Balance at 1 April 2010 | 29,405 | 29,405 |
| Balance at 31 March 2011 | <u>29,405</u> | <u>29,405</u> |
| | <u>29,405</u> | <u>29,405</u> |

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2011 | 2010 |
|---|----------------|----------------|
| | £ | £ |
| Excess income over expenditure for the year | 55,696 | 30,496 |
| Amount due to shareholders | (39,810) | (19,534) |
| | <u>15,886</u> | <u>10,962</u> |
| Amount transferred to sinking funds | 15,886 | 10,962 |
| Other recognised gains in the year | - | - |
| Shareholders' funds at 1 April 2010 | 263,426 | 252,464 |
| Shareholders' funds at 31 March 2011 | <u>279,312</u> | <u>263,426</u> |
| | <u>279,312</u> | <u>263,426</u> |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2011

10. SINKING FUND RESERVES

| | 2011 | 2010 |
|--|----------------|----------------|
| | £ | £ |
| Balance at 1 April 2010 | 233,288 | 222,326 |
| Transfer to sinking funds for the year | 15,886 | 10,962 |
| Balance at 31 March 2011 | <u>249,174</u> | <u>233,288</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 2011

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 2011

| | 2011 £ | 2011 Budget £ | 2010 £ |
|--|----------------------|----------------------|----------------------|
| SERVICE CHARGES RECEIVABLE | 402,974 | 402,976 | 391,120 |
| OVERHEADS Expenditure | 353,029 | 394,200 | 365,416 |
| | <u>49,945</u> | <u>8,776</u> | <u>25,704</u> |
| OTHER OPERATING INCOME Other income | 4,309 | 800 | 2,462 |
| OPERATING SURPLUS | <u>54,254</u> | <u>9,576</u> | <u>28,166</u> |
| Interest receivable | 1,825 | 2,250 | 2,949 |
| EXCESS INCOME BEFORE TAXATION | <u>56,079</u> | <u>11,826</u> | <u>31,115</u> |
| Tax on interest receivable | 383 | 472 | 619 |
| TOTAL EXCESS INCOME FOR YEAR | <u><u>55,696</u></u> | <u><u>11,354</u></u> | <u><u>30,496</u></u> |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO DETAILED INCOME STATEMENT

YEAR ENDED 31st MARCH 2011

| | 2011 £ | 2011 Budget £ | 2010 £ |
|---------------------------------|----------------|---------------------|----------------|
| EXPENDITURE | | | |
| Port Solent charge | 172,190 | 172,190 | 162,045 |
| Estate | | | |
| Landscape maintenance | 53,982 | 65,169 | 69,402 |
| Estate Security | 6822 | 13,773 | 3,606 |
| Estate Maintenance | 3,427 | 6,468 | 1,928 |
| Television system maintenance | 877 | 4,818 | 2,759 |
| | <u>65,108</u> | <u>90,228</u> | <u>77,695</u> |
| Berths | | | |
| Pontoon repairs | 4,479 | 12,000 | 26,251 |
| Administration | | | |
| Audit fee | 3,758 | 3,800 | 3,400 |
| Professional fees [see below] | 10,089 | 8,425 | 1,756 |
| Directors' Expenses | - | - | - |
| Management Company Expenses | 81,777 | 81,908 | 78,288 |
| Insurance | 11,114 | 13,875 | 13,029 |
| Communication with shareholders | 3,146 | 10,724 | 1,386 |
| Sundry Expenses | - | - | 100 |
| | <u>109,884</u> | <u>118,732</u> | <u>97,959</u> |
| Tax and Rates | | | |
| Water rates | 1,368 | 1,050 | 1,466 |
| | <u>353,029</u> | <u>394,200</u> | <u>365,416</u> |

Analysis of Professional fees:

| | 2011 £ | 2010 £ |
|---|---------------|--------------|
| Taxation advice | 400 | 400 |
| County court fees | 175 | 565 |
| Charging order fees | - | 250 |
| Planning advice re: The Portsmouth Plan | 4,473 | - |
| Legal fees re: Debt collection | 734 | - |
| re: Access rights (Oyster Quay) | 1,325 | - |
| re: Transfer of property | - | 541 |
| re: General advice | 2,982 | - |
| | <u>10,089</u> | <u>1,756</u> |