

RAYSCLIFF FLAT MANAGEMENT LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2004

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

Statement of 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 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activity

The company's principal activity continues to be the management of Rayscliff, West Cliff Road, Bournemouth.

Directors

The directors at 31 May 2004 and their interest in the share capital of the company were as follows:-

	At 31 May 2004	At 1 June 2003 or subsequent date of appointment
	Ordinary Shares	Ordinary Shares
A C Nicholson	-	-

Small Company Rules

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. It was approved by the board on 12 July 2004 and signed on its behalf.

.....
A Smith
Secretary



RAYSCLIFF FLAT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2004

	<u>2004</u>	<u>2003</u>
Turnover	15,075	14,737
Administrative Expenses	11,896	8,621
	<hr/>	<hr/>
	3,179	6,116
Interest receivable	297	156
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Profit on Ordinary Activities Before Taxation	3,476	6,272
Taxation	123	-
	<hr/>	<hr/>
Profit on Ordinary Activities After Taxation	3,353	6,272
Retained Profit Brought Forward	9,780	3,508
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Retained Profit Carried forward	£13,133	£9,780
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Notes

1. Accounting Policies

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

a) Turnover comprises the amounts receivable for the year.

b) Freehold property is stated at cost including legal fees.

RAYSCLIFF FLAT MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 MAY 2004

	<u>2004</u>	<u>2003</u>
FIXED ASSETS		
Freehold Property - at cost	6,613	6,613
CURRENT ASSETS		
Prepayments	875	855
Cash at Bank and in Hand	17,042	15,478
	<hr/>	<hr/>
	17,917	16,333
	<hr/>	<hr/>
CREDITORS: Amounts falling due within one year		
Sundry Creditors	230	160
Taxation	42	-
Accruals	1,489	987
Receipts in Advance	2,995	5,378
	<hr/>	<hr/>
	4,756	6,525
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NET CURRENT ASSETS	13,161	9,808
	<hr/>	<hr/>
NET ASSETS	£19,774	£16,421
	<hr/>	<hr/>
Represented by:-		
Share Capital		
Authorised - Ordinary Shares of £1 each	28	28
	<hr/>	<hr/>
Allotted, Called-up and Fully Paid Ordinary Shares of £1 each	28	28
Capital Reserve - contributions from members for purchase of freehold	6,613	6,613
Profit and Loss Account	13,133	9,780
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	£19,774	£16,421
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RAYSLIFF FLAT MANAGEMENT LIMITED

BALANCE SHEET - (Continued)

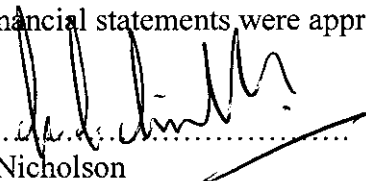
**Directors' Statements required by Section 249B(4)
for the Year ended 31 May 2004**

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 May 2004 and
- (c) that we acknowledge our responsibilities for;
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements 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 its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are 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).

The financial statements were approved by the Board on 12 July 2004 and signed on its behalf by:-


.....
A C Nicholson
Director