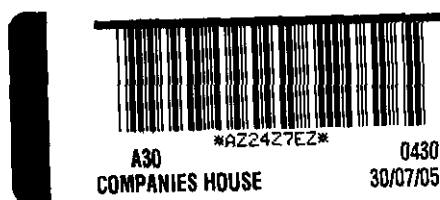


Company Registration No. 2572670 (England and Wales)

**MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**



**CARTWRIGHTS**  
Accountants and Business Advisors  
Registered Auditor  
Regency House  
33 Wood Street  
Barnet, Herts  
EN5 4BE

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## COMPANY INFORMATION

---

<b>Director</b>	S L Shone	(Appointed 4 February 2004)
<b>Secretaries</b>	Crabtree Property Management Limited Terence Robert White	(Appointed 21 December 2004)
<b>Company number</b>	2572670	
<b>Registered office</b>	Hathaway House Popes Drive London N3 1QF	
<b>Auditors</b>	Cartwrights Accountants and Business Advisors Registered Auditor Regency House 33 Wood Street Barnet, Herts EN5 4BE	
<b>Bankers</b>	Bank of Scotland New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN	

---

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## CONTENTS

---

	Page
Director's report	1
Independent auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 7

---

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The director presents her report and financial statements for the year ended 31 December 2004.

### Principal activities

The principal activity of the company is the management and maintenance of 20-34 (Even numbers) Melrose Place, Hempstead Road, Watford, WD1 3LX.

The company is a non-profit making enterprise and the results are in line with expectations.

### Directors

The following directors have held office during the year:

M Sengul	(Resigned 4 February 2004)
S L Shone	(Appointed 4 February 2004)

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2004	1 January 2004
S L Shone	1	1

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Cartwrights be reappointed as auditors of the company will be put to the Annual General Meeting.

### Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



Crabtree Property Management Limited

Secretary

27/6/05

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

We have audited the financial statements of Melrose Place Management Company (No.2) Limited on pages 3 to 7 for the year ended 31 December 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 United Kingdom 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 director 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 December 2004 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cartwrights

28/6/05

Accountants and Business Advisors  
Registered Auditor  
Regency House  
33 Wood Street  
Barnet, Herts  
EN5 4BE

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

		2004 £	2003 £
	Notes		
Turnover		7,961	12,415
Administrative expenses		(8,017)	(12,443)
Operating loss	2	(56)	(28)
Other interest receivable and similar income		56	2
Loss on ordinary activities before taxation		-	(26)
Tax on loss on ordinary activities	4	-	26
Results of ordinary activities after taxation		-	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
<b>Current assets</b>					
Debtors	5	2,553		1,696	
Cash at bank and in hand		3,750		2,185	
		<u>6,303</u>		<u>3,881</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(734)</u>		<u>(1,198)</u>	
<b>Total assets less current liabilities</b>			5,569		2,683
<b>Provisions for liabilities and charges</b>	7		<u>(5,561)</u>		<u>(2,675)</u>
			<u>8</u>		<u>8</u>
<b>Capital and reserves</b>					
Called up share capital	8		8		8
<b>Shareholders' funds</b>			<u>8</u>		<u>8</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 26/6/05

S L Shone

S L Shone  
Director

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 1 Accounting policies

#### 1.1 Accounting convention

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

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents the total value of service charges and other income contributed by residents in respect of certain specific expenditure incurred during the year.

#### 1.4 Service charges

Any deficit or surplus arising where the actual expenditure does not equal the budgeted expenditure is reflected in the accounts as a decrease or increase in the provision for major works. If the deficit in a year is greater than the provision brought forward then such excess is reflected in the accounts as a debtor and is recovered from the residents in the following financial year.

#### 1.5 Taxation

The company is a mutually trading enterprise and any surplus or deficit arising as a result of the difference between service charges levied (based on budgeted costs) and actual costs incurred does not fall within the scope of corporation tax. Tax is levied on investment income only.

#### 1.6 Provision for major works

The company is required to ensure that certain areas, external to the flats, are kept in good repair and decorative order and this requires major works every few years. It has been decided that a separate provision should be maintained to cover the expected costs and appropriations are made from the profit and loss account each financial year.

### 2 Operating loss

	2004	2003
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	550	300

### 3 Investment income

	2004	2003
	£	£
Bank interest	56	2



# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

4	Taxation	2004 £	2003 £
	Domestic current year tax		
	Adjustment for prior years	-	(26)
	<b>Current tax charge</b>	<b>-</b>	<b>(26)</b>

Tax is levied on investment income only and investment income is below £10,000 where the corporation tax rate is 0%. Therefore no corporation tax is provided for.

5	Debtors	2004 £	2003 £
	Service charge accrued	1,807	1,025
	Prepayments and accrued income	746	671
		<b>2,553</b>	<b>1,696</b>

6	Creditors: amounts falling due within one year	2004 £	2003 £
	Service charge prepaid	94	-
	Accruals and deferred income	640	1,198
		<b>734</b>	<b>1,198</b>

7	Provisions for liabilities and charges	Provision for major works £
	Balance at 1 January 2004	2,675
	Transfer to / (from) profit and loss account	2,886
	Balance at 31 December 2004	<b>5,561</b>

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

---

<b>8</b>	<b>Share capital</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	50 Ordinary shares of £1 each	50	50
		<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>		
	8 Ordinary shares of £1 each	8	8
		<u>          </u>	<u>          </u>

### **9 Control**

The company has no ultimate controlling party.

**MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED**

**MANAGEMENT INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2004**

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

---

	2004	2003
	£	£
<b>Income</b>		
Service charges	7,536	12,415
Insurance recharged	155	-
Legal costs recharged	270	-
	<hr/>	<hr/>
	7,961	12,415
 <b>Administrative expenses</b>	 (8,017)	 (12,443)
	<hr/>	<hr/>
<b>Operating loss</b>	(56)	(28)
 <b>Other interest receivable and similar income</b>		
Bank interest	56	2
	<hr/>	<hr/>
<b>Deficit of income over expenditure</b>	-	(26)
	<hr/>	<hr/>

---

# MELROSE PLACE MANAGEMENT COMPANY (NO.2) LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£	£
<b>Administrative expenses</b>		
Health and safety audit	164	-
Insurance	720	647
Directors insurance	425	450
Repairs and maintenance	276	415
Major works	-	5,716
Cleaning and gardening	1,056	1,095
Legal costs (non service charges)	270	-
Legal and professional fees	195	150
Management fees	1,440	1,410
Audit fees	550	300
Bank charges	35	30
Provision for major works	2,886	2,230
	<hr/>	<hr/>
	8,017	12,443
	<hr/>	<hr/>