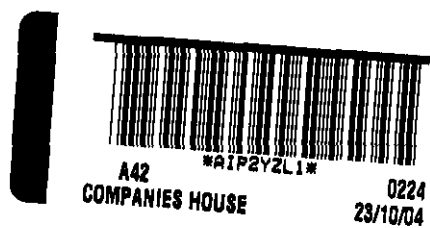


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**Report of the Director and
Financial Statements
for the Year Ended 31 December 2003
for
The Terpening Partnership Ltd**



The Terpening Partnership Ltd

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for the Year Ended 31 December 2003**

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The Terpening Partnership Ltd

**Company Information
for the Year Ended 31 December 2003**

Director: P M Terpening

Secretary: J M Terpening

Registered Office: Church House
Church Road
Frating
Colchester
CO7 7HE

Registered Number: 02772098 (England and Wales)

The Terpening Partnership Ltd

**Report of the Director
for the Year Ended 31 December 2003**

The Director presents his report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property management and consultants.

DIRECTOR

P M Terpening was the sole Director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.03	31.12.02
Ordinary £1 shares	51	51

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

ON BEHALF OF THE BOARD:



J M Terpening - SECRETARY

DATED: 22 October 2004

Profit and loss account for the year ended 31 December 2003

	Notes	2003 £	2002 £
Turnover		95,308	79,138
Cost of sales		95,308 (60,979)	79,138 (61,261)
Gross profit		34,329	17,877
Other operating income		10,290	7,111
Operating profit		44,619	24,988
Net interest		(129)	(1,193)
Profit on ordinary activities before taxation		44,490	23,795
Tax on profit on ordinary activities		8,453	5,725
Profit for the financial year		36,037	18,070
Dividends			
Retained profit for the year		36,037	18,070
Retained profit for the year		36,037	18,070
Retained profit brought forward		123,422	105,352
RETAINED PROFIT CARRIED FORWARD		159,459	123,422

The notes form part of these financial statements

Balance sheet as at 31 December 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	4	<u>140,725</u>	<u>140,863</u>
Current assets			
Debtors	5	30,874	30,638
Cash at bank and in hand		<u>14,690</u>	<u>1,957</u>
		45,564	32,595
Creditors: amounts falling due within one year	6	<u>(18,641)</u>	<u>(25,669)</u>
Net current assets		<u>26,923</u>	<u>6,926</u>
Total assets less current liabilities		167,648	147,789
Creditors: amounts falling due after more than one year	7	<u>(8,089)</u>	<u>(24,267)</u>
Net assets		<u>159,559</u>	<u>123,522</u>
Capital and reserves			
Called-up share capital	8	100	100
Profit and loss account		<u>159,459</u>	<u>123,422</u>
Shareholders' funds		<u>159,559</u>	<u>123,522</u>

The company is entitled to exemption from audit under Section 249A (1) of the Companies Act 1985 for the year ending 31st December 2003.

No notice has been deposited under Section 249B (2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The Director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

The Terpening Partnership Ltd

**Balance Sheet
31 December 2003**

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 Small Entities (effective March 1999).

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'P M Terpening', written over a horizontal line.

P M Terpening - DIRECTOR

APPROVED BY THE BOARD ON 22ND OCTOBER 2004

The notes form part of these financial statements

The Terpening Partnership Ltd

Notes to the Financial Statements for the Year Ended 31 December 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Small Entities (effective March 1999).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 20% on reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.03	31.12.02
	£	£
Depreciation - owned assets	<u>140</u>	<u>138</u>
Director's emoluments and other benefits etc	<u>18,850</u>	<u>18,850</u>

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.03	31.12.02
	£	£
UK corporation tax	8,453	4,564
Underprovision in previous years	-	1,161
	<u>8,453</u>	<u>5,725</u>

UK corporation tax has been charged at 19%

**Notes to the financial statements
For the year ended 31 December 2003**

4. Tangible fixed assets

	Land and buildings	Plant and machinery	Total
	£	£	£
Cost			
1 January 2003	140,034	1,098	141,132
Additions	0	0	0
Disposals	0	0	0
	<hr/>	<hr/>	<hr/>
At 31 December 2003	140,034	1,098	141,132
	<hr/>	<hr/>	<hr/>
Depreciation			
1 January 2003	0	269	269
Disposals	0	0	0
Provided in the year	0	138	138
	<hr/>	<hr/>	<hr/>
At 31 December 2003	0	407	407
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2003	140,034	691	140,725
	<hr/>	<hr/>	<hr/>
At 31 December 2002	140,034	829	140,863
	<hr/>	<hr/>	<hr/>

	2003 £	2002 £
5. Debtors		
Trade debtors	5,972	9,177
Other debtors	1,285	1,390
Directors current account	23,617	20,071
	<hr/>	<hr/>
	30,874	30,638
	<hr/>	<hr/>

**Notes to the financial statements
For the year ended 31 December 2003**

6. Creditors: Amounts falling due in less than one year	2003 £	2002 £
Bank loans and overdrafts	8,089	19,200
Other creditors	220	775
V.A.T.	1,490	1,982
Social security and other taxes	389	284
Corporation tax	8,453	3,428
	18,641	25,669
7. Creditors: Amounts falling due after more than one year	2003 £	2002 £
Bank loans	8,089	24,267
	8,089	24,267
8. CALLED UP SHARE CAPITAL	2003 £	2002 £
Authorised		
1,000 ordinary shares of £1 per share	1,000	1,000
	1,000	1,000
Allotted, issued and fully paid		
100 ordinary shares of £1 per share	100	100
	100	100

9. RELATED PARTY DISCLOSURES

During the year the company was under the control of Mr P. Terpening, the major shareholder and director of the company.

Profit and loss account
For the year ended 31 December 2003

	Year ended 31 December 2003		Year ended 31 December 2002	
	£	£	£	£
Income:				
Sales	73,440		57,000	
Expenses claimed	21,868		22,138	
		95,308		79,138
Other Income:				
Rents received	10,290		7,111	
Deposit account interest	27		8	
		10,317		7,119
Total Income		105,625		86,257
Expenditure:				
Directors' remuneration	18,500		18,500	
Wages	8,500		8,500	
Social security	3,784		2,017	
Telephone	1,062		1,320	
Postage and stationery	38		41	
Travel and mileage expenses	17,435		15,909	
Property expenses	10,278		12,620	
Sundry expenses	620		741	
Accountancy	375		375	
Rent	125		125	
Legal fees			779	
		60,717		60,927
		44,908		25,330
Finance costs:				
Bank interest				
Interest on late corporation tax	56		72	
Mortgage	100		1,129	
Bank charges	122		196	
		278		1,397
		44,630		23,933
Depreciation				
Fixtures and fittings	140		138	
		140		138
Net profit for the year before taxation		44,490		23,795