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CLOVELLY DOWNS MANAGEMENT

COMPANY LIMITED

(a company limited by guarantee)

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th APRIL 2006

MAURICE ANDREWS
Chartered Accountants
Grove House
25 Upper Mulgrave Road
Cheam
Surrey, SM2 7BE



CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED**DIRECTORS' REPORT****YEAR ENDED 30th APRIL 2006**

The directors submit their report with the audited financial statements of the company for the year ended 30th April 2006.

STATUS

Clovelly Downs Management Company Limited is a company limited by guarantee not having a share capital.

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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs for the company and of the surplus or deficit of the company for that year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7 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 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 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.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of a tenant management company and was unchanged throughout the year.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:-

J. Adams
M.P. Flint

CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 30th APRIL 2006

(continued)

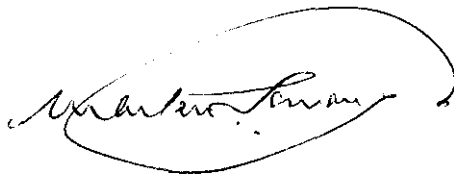
AUDITOR

Maurice Andrews have indicated their willingness to continue in office as auditor and, in accordance with the Companies Act 1985, a resolution dealing with their re-appointment will be put to the members at the next Annual General Meeting.

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

The directors' report was approved by the Board on 15th October 2006 and signed on its behalf by:-

M.T.C. WAUGH,
SECRETARY.

A handwritten signature in dark ink, appearing to read 'M.T.C. Waugh', is written over a large, faint, oval-shaped circular stamp or watermark.

CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED****YEAR ENDED 30th APRIL 2006**

We have audited the financial statements of Clovelly Downs Management Company Limited for the year ended 30th April 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of 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 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 the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with the 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 transactions with the company 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.

CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED

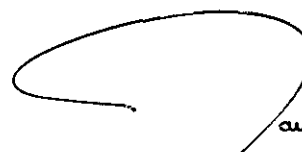
YEAR ENDED 30th APRIL 2006

(continued)

Opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30th April 2006 and of its loss for the year then ended and 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.

Grove House,
25 Upper Mulgrave Road,
Cheam,
Surrey, SM2 7BE.
15th October 2006


maurice Andrews
MAURICE ANDREWS
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED**(a company limited by guarantee)****PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30th APRIL 2006

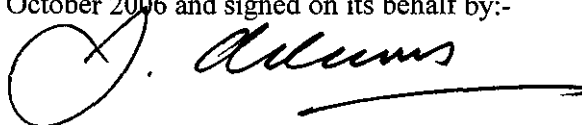
	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
SERVICE CHARGES RECEIVABLE		3,083	3,000
General maintenance costs		<u>2,542</u>	<u>2,488</u>
		541	512
Administrative expenses		<u>852</u>	<u>852</u>
OPERATING LOSS	2	(311)	(340)
Interest received – bank		<u>58</u>	<u>61</u>
LOSS FOR THE FINANCIAL YEAR	5	<u>(253)</u>	<u>(279)</u>

CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED**(a company limited by guarantee)****BALANCE SHEET****30th APRIL 2006**

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
CURRENT ASSETS			
Debtors	3	325	150
Cash at bank		<u>3,636</u>	<u>4,013</u>
		3,961	4,163
CREDITORS: amounts falling due within one year	4	<u>1,063</u>	<u>1,012</u>
NET ASSETS		<u>2,898</u>	<u>3,151</u>
RESERVES			
Profit and loss account	5	<u>2,898</u>	<u>3,151</u>

The financial statements have been prepared in accordance with the special provisions for smaller companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Directors
On 15th October 2006 and signed on its behalf by:-



J. Adams - Director

CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED**(a company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th APRIL 2006**

1. ACCOUNTING POLICIES

Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

2. OPERATING LOSS

The operating loss is stated after charging:

	<u>2006</u> £	<u>2005</u> £
Directors' emoluments	-	-
Auditors' remuneration	300	300
	<u> </u>	<u> </u>

3. DEBTORS

	<u>2006</u> £	<u>2005</u> £
Service charges receivable	325	150
	<u> </u>	<u> </u>

4. CREDITORS: amounts falling due within one year:

	<u>2006</u> £	<u>2005</u> £
Sundry creditors and accruals	1,063	1,012
	<u> </u>	<u> </u>

5. PROFIT AND LOSS ACCOUNT

	<u>2006</u> £	<u>2005</u> £
Balance brought forward	3,151	3,430
Loss for the financial year	(253)	(279)
Balance carried forward	2,898	3,151
	<u> </u>	<u> </u>

6. MEMBERS' LIABILITY

In the event of the company being wound up, each member has a maximum liability of £1.

CLOVELLY DOWNS MANAGEMENT COMPANY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th APRIL 2006

	<u>2006</u>		<u>2005</u>	
	£	£	£	£
SERVICE CHARGES RECEIVABLE		3,083		3,000
GENERAL MAINTENANCE COSTS				
Garden maintenance	2,046		2,007	
Electricity	181		131	
Insurance	315		315	
Repairs and renewals	<u>-</u>		<u>35</u>	
		<u>2,542</u>		<u>2,488</u>
		541		512
ADMINISTRATIVE EXPENSES				
Company return expenses	30		30	
Accountancy and audit	352		352	
Management fee	<u>470</u>		<u>470</u>	
		<u>852</u>		<u>852</u>
OPERATING LOSS		(311)		(340)
Interest received - bank		<u>58</u>		<u>61</u>
LOSS FOR THE FINANCIAL YEAR		<u>(253)</u>		<u>(279)</u>