

Company Number: 04276395

WARWICK CREST LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the period ended 25th March 2005.

PRINCIPAL ACTIVITIES

The company's principal activity is to manage and maintain the development of Warwick Crest, Edgbaston, Birmingham, for the benefit of the lessees. The company was dormant until 2nd November 2004 when it acquired the reversionary interest in the freehold of Warwick Crest and commenced operations as a Residents Management Company.

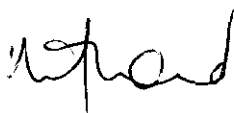
DIRECTORS

The directors at 25th March 2005 and their beneficial interests in the ordinary share capital of the company were as follows:

	25th March 2005	31st August 2004 or subsequent date of appointment
	Ordinary shares	Ordinary shares
P G Adcock	1	1
M C Bancroft	-	-

The report of the directors 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



M.W. ARNOLD

Secretary

17th January 2006



ACCOUNTANTS REPORT ON THE UNAUDITED FINANCIAL STATEMENTS
TO THE DIRECTORS OF WARWICK CREST LIMITED

In accordance with the engagement letter dated 13th April 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the period ended 25th March 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the period.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Arundales

ARUNDALES
Chartered Accountants

Stowe House
1688 High Street
Knowle
SOLIHULL
B93 0LY

17th January 2006

WARWICK CREST LIMITED**PROFIT AND LOSS ACCOUNT**

for the period ended 25th March 2005

	Notes	25th March 2005		31st August 2004	
		£	£	£	£
TURNOVER	2		37,687		-
Estate Costs		30,763		-	
Administrative expenses		6,999		-	
			(37,762)		-
			(75)		-
Ground Rent Receivable			2,100		-
OPERATING PROFIT			2,025		-
Interest receivable			75		-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			2,100		-
Taxation	3		-		-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			2,100		-
Retained profit brought forward			-		-
RETAINED PROFIT CARRIED FORWARD			2,100		-

The notes on pages 5 and 6 form part of these financial statements.

WARWICK CREST LIMITED

BALANCE SHEET

as at 25th March 2005

		25th March 2005		31st August 2004	
	Notes	£	£	£	£
FIXED ASSETS					
Reversionary interest in freehold land and buildings	4		516,508		-
CURRENT ASSETS					
Debtors	5	26,214		1	
Managing agent account		10,702		-	
Cash in hand and at bank		152,108		-	
		189,024		1	
Less: CREDITORS : amounts falling due within one year	7	(438,600)		-	
			(249,576)		1
TOTAL ASSETS LESS CURRENT LIABILITIES			266,932		1
Less: CREDITORS : amounts falling due after more than one year	8	(264,831)		-	
			2,101		1
CAPITAL AND RESERVES					
Profit and loss account			2,100		-
Share capital			1		1
			2,101		1

We confirm that in accordance with the Companies Act 1985:

- ~ The company is entitled to the exemption conferred by subsection (1) of Section 249A for the period ended 25th March 2005
- ~ no notice has been deposited under subsection (2) of Section 249B in relation to the financial statements for the period ended 25th March 2005

The directors acknowledge their responsibilities under the Companies Act 1985 for-

- ~ ensuring that the company keeps accounting records which comply with Section 221, and
- ~ 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 for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been 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).

Approved by the Board on 17th January 2006

 Director

The notes on pages 5 and 6 form part of these financial statements

WARWICK CREST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 25th March 2005

1. ACCOUNTING POLICIES

(a) 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).

(b) Depreciation

No depreciation is provided on the reversionary interest in freehold land and buildings and in this respect the financial statements do not comply with the Financial Reporting Standard for Smaller Entities (effective June 2002) or schedule 4(18) of the Companies Act 1985 which require the building element this asset to be depreciated. If depreciation had been provided at 2% per annum straight line on the total cost of land and buildings the charge for this period would have amounted to approximately £10,000. In the opinion of the directors any depreciation charge in respect of the buildings element would not be material.

2. TURNOVER

	2005	2004
	£	£
Turnover represents Service charges receivable	37,687	

3. TAXATION

On investment income for the period:

Corporation tax at 0% (2004:0%)

-	-
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4. REVERSIONARY INTEREST IN FREEHOLD PROPERTY

Additions during period:

Reversionary interest at cost

Stamp duty land tax

Legal and professional fees

460,373	-
13,811	-
42,324	-

At cost at 25th March 2005

516,508	-
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5. DEBTORS

Service charge arrears

Ground Rent arrears

Participators contribution outstanding

Share capital unpaid

Prepayments and accrued income

16,236	-
607	-
250	-
1	1
9,120	-
26,214	1

6. CONTINGENT ASSET

On 2nd November 2005 the sum of £133,070 was transferred to Warwick Crest Limited in respect of reserve funds contributed by lessees. The balance of the fund at that date was net of an invoice from the former managing agent for work which was not completed at the date of transfer. The invoice amounted to £19,905 and the company is taking action to recover this money from the previous managing agent. It is not presently possible to ascertain the proportion of the cost which relates to work actually undertaken by the previous managing agent and it is not possible to quantify the sum that will actually be recovered which is contingent upon the outcome of the recovery action.

WARWICK CREST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 25th March 2005

7. CREDITORS : amounts falling due within one year

	2005	2004
	£	£
Service charges paid in advance	7	-
Service charges demanded in advance	22,613	-
Leaseholders advance payments for lease variations	396,468	-
Long term maintenance (note 8)	-	-
Invoices received but not paid	1,736	-
Accruals	17,776	-
	<u>438,600</u>	<u>-</u>

The company acquired the freehold of the Estate on 2nd November 2004 subject to an agreement to extend the leases of those residents who provided the funds to the company to acquire the freehold. The freehold was acquired from a third party at open market value and the lease extensions will be granted at open market value.

8. CREDITORS : amounts falling due after more than one year

Leaseholders loans	131,346	-
Long term maintenance fund	133,485	-
	<u>264,831</u>	<u>-</u>

9. LONG TERM MAINTENANCE FUND

Balance at 25th March 2005	133,485	-
Amounts falling within one year (note 6)	-	-
	<u>133,485</u>	<u>-</u>

Movement for the period comprises:

Leaseholders initial contribution	133,170	-
Expenditure during period	-	-
	<u>133,170</u>	<u>-</u>
Transfer from service charge	315	-
	<u>133,485</u>	<u>-</u>

The lessees are obliged under the terms of their leases to contribute annually towards long term maintenance of the property in respect of items which occur less frequently than annually.

At 25th March 2005 the company had received cumulative contributions of £133,485 which it is obliged to expend on items of long term maintenance as they fall due.

10. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2005	2004	2005	2004
	No.	No.	£	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>1</u>	<u>1</u>

WARWICK CREST LIMITED

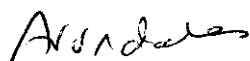
SERVICE COST ACCOUNT

for the period from 2nd November 2004 to 25th March 2005

	2005	
	£	£
ESTATE COSTS		
Repairs and maintenance general	4,570	
Lift Maintenance	8,529	
Electrical repairs	332	
Entryphone & Security repairs	872	
Fire equipment maintenance	304	
Long term maintenance	315	
Staff costs	4,750	
Caretaker's flat expenses	1,196	
Cleaning	88	
Gardening	2,261	
Lighting	1,653	
Property Insurance	6,492	
Engineering insurance	(1,216)	
Liability insurance	453	
Telephone	164	
		30,763
ADMINISTRATIVE EXPENSES		
Managerial	2,885	
Accountancy	1,175	
Professional charges	2,275	
Sundry	664	
		6,999
Total service costs		37,762
Less : Interest received net of tax		(75)
SERVICE CHARGE REQUIRED FROM LESSEES		<u>37,687</u>

We have prepared the above account of service costs and expenses from the records maintained by Countrywide Property Management. We were not required to, and did not, form any opinion as to either the reasonableness of the costs included within the service cost account or the standard of the services or works provided.

We certify that in our opinion the service charge account set out above shows a fair summary of the costs expended and outgoings disbursed, incurred, or provided for by the lessor for the period ended 25th March 2005 being sufficiently supported by accounts, receipts and other documents which have been produced to us.



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17th January 2006