

1-3 MORPETH TERRACE LIMITED

Company No. 2634198

ANNUAL REPORT AND ACCOUNTS

for the year ended

31ST DECEMBER 2004

Websters

136 BAKER STREET,

LONDON. W1U 6DU



1-3 MORPETH TERRACE LIMITED

DIRECTORS REPORT

The directors present their report to the members, together with the annual accounts for the year ended 31st December 2004.

PRINCIPAL ACTIVITY :

The principal activity of the company is acting as trustee to the block of flats known as 1-3 Morpeth Terrace, London, SW1 in accordance with the terms of the leases granted in respect of the property and comply with its obligations.

DIRECTORS :

The directors of the company and their beneficial interests in shares of the company were :

	<i>£1 Ordinary Shares</i>	
	<i>31.12.04</i>	<i>31.12.03</i>
A.M. Brown	1	1
M. D. Solon	1	1
J. Thompson (resigned 10.9.02)	1	1
C.A. Philips	1	1
A. Loyd	1	1
D. Hinton (appointed 15.11.02)	1	1
K.M. Lewis (appointed 19.4.04)	1	1
F.S. Lane (appointed 9.12.03)	1	1

DIRECTORS' RESPONSIBILITIES :

Company law requires the directors to prepare accounts 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 accounts, the directors are required to :

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

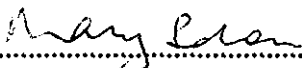
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS :

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

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

Approved by the board of directors on 30 April 2005 and signed on their behalf by :


.....
M. D. SOLON

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

1-3 MORPETH TERRACE LIMITED

We have audited the financial statements of 1-3 Morpeth Terrace Limited for the year ended 31st December 2004 set out on pages 3 to 5. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of Directors and Auditors :

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of 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 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 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 judgments 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.

Opinion :

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Websters

Websters

Chartered Accountants
& Registered Auditors,
136 Baker Street,
London. W1U 6DU

Date : 17/5/05

1-3 MORPETH TERRACE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2004

	<i>Notes</i>	----- 2004 -----	----- 2003 -----
		£	£
TURNOVER :			
Trustee fees	1b	3,311	1,154
ADMINISTRATIVE EXPENSES :			
Insurance		352	352
Bank charges		8	10
Company's secretarial fees		1,271	322
Professional fees		1,210	-
Audit fees		470	470
Sundry expenses		-	-
		<u>3,311</u>	<u>1,154</u>
OPERATING LOSS	2	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£ Nil</u>	<u>£ Nil</u>

The notes on page 5 form an integral part of these accounts.

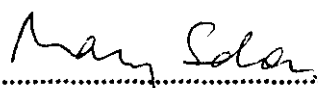
1-3 MORPETH TERRACE LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2004

	<i>Notes</i>	----- 2004 -----	----- 2003 -----
		£ £	£ £
CURRENT ASSETS :			
1-3 Morpeth Terrace		-	924
Prepayments		73	73
		<u>73</u>	<u>997</u>
		-----	-----
CREDITORS :			
Amounts falling due within one year :			
1-3 Morpeth Terrace		16	-
Accruals		-	940
		<u>16</u>	<u>940</u>
		-----	-----
NET CURRENT ASSETS		<u>57</u>	<u>57</u>
		£ <u>57</u>	£ <u>57</u>
CAPITAL AND RESERVES :			
CALLED UP SHARE CAPITAL	3	28	28
PROFIT AND LOSS ACCOUNT	4	29	29
		<u>29</u>	<u>29</u>
SHAREHOLDERS' FUNDS		£ <u>57</u>	£ <u>57</u>

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

Approved by the board of directors on 30/4/05
and signed on their behalf by :


.....
M. D. SOLON

The notes on page 5 form an integral part of these accounts.

1-3 MORPETH TERRACE LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 2004

1. ACCOUNTING POLICIES :

a) Convention :

These accounts have been prepared in accordance with applicable accounting standards under the historical cost convention and the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Turnover :

Turnover represents fees due for trustee services, excluding VAT.

2. DIRECTORS REMUNERATION :

The directors received no remuneration from the company during the year (2003 - £Nil).

3. CALLED UP SHARE CAPITAL :	2004	2003
Authorised : Ordinary shares of £1 each	£100	£100
	<u> </u>	<u> </u>
Issued and fully paid : Ordinary shares of £1 each	£ 28	£ 28
	<u> </u>	<u> </u>
4. PROFIT AND LOSS ACCOUNT :	2004	2003
Balance at 31st December 2003	57	57
Retained profit for the year	-	-
	<u> </u>	<u> </u>
Balance at 31st December 2004	£ 57	£ 57
	<u> </u>	<u> </u>

5. CONTINGENT LIABILITY :

The company maintains a reserve bank account for contributions to the reserve for future expenditure received from the general maintenance fund of the property. Under the terms of the trust deed all interest earned on these monies together with other gross interest received is to be credited for the benefit of the maintenance fund.

The taxation of this interest, though the liability of the company, will ultimately be borne by the maintenance fund which will subsequently indemnify the company as and when it becomes due.