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REPORT AND ACCOUNTS
1 SYDNEY ROAD (EXETER) NO.2
MANAGEMENT COMPANY LIMITED

30TH SEPTEMBER 2003



DIRECTORS

MR M A Clarke
MR M Johnson - Resigned 26th June 2003
MISS S V Barrett - Appointed 26th June 2003

SECRETARY

MR M A Clarke

AUDITORS

Ernst & Young LLP
Wessex House
19 Threefield Lane
Southampton
Hampshire
SO14 3QB

REGISTERED OFFICE

Weymouth Avenue
Dorchester
Dorset
DT1 1QT

REGISTERED NUMBER

02309809

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 30th September, 2003.

RESULTS AND DIVIDENDS

There was no excess or deficit of income over expenditure for the year ended 30th September, 2003.

The Directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the management of the premises at 1 Sydney Road, Exeter, Devon. No change in this activity is planned for the future.

DIRECTORS AND THEIR INTERESTS

The Directors during the year were as follows:

MR M A Clarke

Mr M Johnson - Resigned 26th June 2003

Miss S V Barrett - Appointed 26th June 2003

Neither of the Directors hold an interest in the share capital of the company.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By the order of the Board



Secretary 30TH MARCH 2004

STATEMENT OF 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 then 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1 SYDNEY ROAD (EXETER) NO. 2 MANAGEMENT COMPANY LIMITED

We have audited the company's financial statements for the year ended 30 September 2003 which comprise the Profit and Loss Account, Statement of Recognised Gains and Losses, Balance Sheet and the related notes 1 to 6. These financial statements have been prepared 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 auditors' 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and 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 audit opinion (NB: not '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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
London
30 March 2003

Ernst & Young LLP

1 SYDNEY ROAD (EXETER) NO. 2 MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30th September, 2003

	Notes	2003 £	2002 £
Service Charges		969	1,014
Operating Costs	2	969	1,014
		-----	-----
PROFIT ON ORDINARY ACTIVITIES		NIL	NIL
		-----	-----
PROFIT FOR THE FINANCIAL YEAR		NIL	NIL
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STATEMENT OF RECOGNISED GAINS AND LOSSES
for the year ended 30th September, 2003

There are no recognised gains and losses other than the profit attributable to the shareholders of the company of £nil in the year to 30th September, 2003 and £ nil in the previous year.

1 SYDNEY ROAD (EXETER) NO. 2 MANAGEMENT COMPANY LIMITED

BALANCE SHEET
at 30th September, 2003

	Notes	2003 £	2002 £
CURRENT ASSETS			
Debtors	4	3,596	3,127
CREDITORS: amounts falling due within one year	5	<u>3,592</u>	<u>3,123</u>
TOTAL ASSETS LESS LIABILITIES		<u>4</u>	<u>4</u>
CAPITAL AND RESERVES			
Called up share capital	6	<u>4</u>	<u>4</u>
Shareholders funds		<u>4</u>	<u>4</u>



Directors 30TH MARCH 2004



NOTES TO THE ACCOUNTS
at 30th September, 2003

1. ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention.

Service Charges

Service charges are credited to the profit and loss account in the year in which they are receivable.

2. OPERATING COSTS	2003 £	2002 £
Audit Fee	200	200
Other operating charges	769	814
	-----	-----
	969	1,014
	-----	-----

3. EMOLUMENTS OF DIRECTORS

The Chairman and other Directors received no emoluments.

4. DEBTORS	2003 £	2002 £
Other debtors	3,596	3,127
	-----	-----

5. CREDITORS: amounts falling due within one year	2003 £	2002 £
Other creditors	3,592	3,123
	-----	-----

6. CALLED UP SHARE CAPITAL	2003 £	2002 £
Authorised, allotted and fully paid:	4	4
Ordinary shares of £1 each	-----	-----

There are no other funds other than the called up share capital attributable to the members of the company