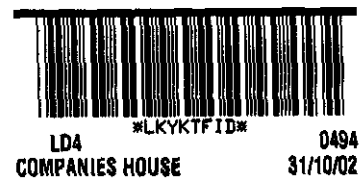


COMPANY NUMBER:
02692971 (ENGLAND & WALES)

HERONSBROOK FLAT MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

C K R
CHARTERED CERTIFIED ACCOUNTANTS
74 WEST STREET
ERITH
KENT
DA8 1AF



HERONSBROOK FLAT MANAGEMENT LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

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HERONSBROOK FLAT MANAGEMENT LIMITED

COMPANY INFORMATION

COMPANY NUMBER: 02692971 (England & Wales)

SECRETARY: Management Direct (UK) Ltd

REGISTERED OFFICE: "Orchards"
88 Ash Tree Way
Shirley
Croydon
Surrey
CR0 7SX

AUDITORS: Levett Charles & Co
Chartered Accountants
Registered Auditors
237 Westcombe Hill
Blackheath
SE3

ACCOUNTANTS **C K R**
Chartered Certified Accountants
74 West Street
Erith
Kent
DA8 1AF

HERONSBROOK FLAT MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and the financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of flat management , which activity is undertaken for the mutual benefits of its members.

REVIEW OF BUSINESS

The directors were satisfied with the state of the company's affairs at the balance sheet date .

EVENTS SINCE THE END OF THE YEAR

There has been no events since the balance sheet date which materially affect the position of the company.

RESULTS AND DIVIDENDS

The result for the year is shown on page 3. The directors do not recommend the payment of a dividend.

DIRECTORS' INTERESTS

The directors of the company during the year and their interests in the share capital of the company as recorded in the register of directors' interests were as follows:

	2001 No.	2000 of shares
D Phillips	1	1
J Spahr	1	1
Mr Oakley	1	1

HERONSBROOK FLAT MANAGEMENT LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2001

RESPONSIBILITIES OF THE DIRECTORS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, 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 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 to enable them to ensure that the financial statements 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

The auditors, Donal Lucey & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


NAME:

15 July 2002

"Orchards"
88 Ash Tree Way
Shirley
Croydon
Surrey
CR0 7SX

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF
HERONSBROOK FLAT MANAGEMENT LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2001

We have audited the financial statements on the pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 3.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 misstatements, 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 at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Levett Charles & Co

.....
Levett Charles & Co (Blackheath)
Chartered Accountants
Registered Auditors

Blackheath

Dated :

HERONSBROOK FLAT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
TURNOVER	2	11,201	14,001
Administrative expenses		(20,115)	(9,475)
OPERATING (LOSS)/PROFIT		(8,914)	4,526
Other interest receivable & similar income		245	373
RETAINED (LOSS)/PROFIT FOR THE YEAR		(8,669)	4,899

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2001 therefore turnover and operating profit derive entirely from continued operations.

The company has no recognised gains or losses other than the loss for the financial year.

The annexed notes form part of these financial statements.

HERONSBROOK FLAT MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2001

	Note	2001	2000
		£	£
CURRENT ASSETS			
Debtors	3	142	-
Cash at bank and in hand		11,532	15,988
		<u>11,674</u>	<u>15,988</u>
CREDITORS			
Amounts falling due within one year	4	(4,801)	(446)
NET CURRENT ASSETS		<u>6,873</u>	<u>15,542</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,873</u>	<u>15,542</u>
PROVISIONS FOR LIABILITIES AND CHARGES	5	-	(4,000)
NET ASSETS		<u>6,873</u>	<u>11,542</u>
CAPITAL AND RESERVES			
Called up share capital	6	14	14
Profit and loss account	7	6,859	11,528
SHAREHOLDERS' FUNDS	8	<u>6,873</u>	<u>11,542</u>

Approved by the board of directors on 15 July 2002 and signed on its behalf.

.....
Name :

The annexed notes form part of these financial statements.

HERONSBROOK FLAT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

CASH FLOW STATEMENT

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

TURNOVER

Income comprises the monies received for tenants for service charges.

EXPENDITURE

All expenditure is accounted for on an accruals basis.

TAXATION

No charge to taxation arises due to a concession given by the Inland Revenue for the period ended 31 December 2001.

SINKING FUND

The sinking fund balance was utilised in the year.

2. TURNOVER

Income represents maintenance charges receivable in respect of communal expenditure in the ordinary course of business.

3. DEBTORS

	2001	2000
	£	£
Due within one year:		
Trade debtors	142	-
	=	=

HERONSBROOK FLAT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2001

4. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Contributions received on account	4,330	-
Accruals And Deferred Income	469	446
	<u>4,801</u>	<u>446</u>

5. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation
	£
Balance at 1 January 2001	4,000
Utilised for the year	(4,000)
	<u>-</u>
Balance at 31 December 2001	<u>-</u>

6. SHARE CAPITAL

	2001	2000
	£	£
AUTHORISED		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary shares of £1 each	14	14
	<u>14</u>	<u>14</u>

7. PROFIT AND LOSS ACCOUNT

	2001
	£
Balance at 1 January 2001	11,528
Loss suffered for the year	(8,669)
Transferred from Sinking Fund	4,000
	<u>6,859</u>
Balance at 31 December 2001	<u>6,859</u>

HERONSBROOK FLAT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2001

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
(Loss)/Profit for the financial year	(8,669)	4,899
Transferred from/to Sinking Fund	4,000	(1,000)
Shareholders' funds at 1 January 2001	11,542	7,643
Shareholders' funds at 31 December 2001	<u>6,873</u>	<u>11,542</u>

9. POST BALANCE SHEET EVENTS

There has been no events since the balance sheet date which materially affect the position of the company.