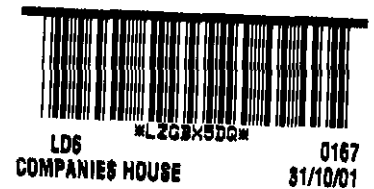


COMPANY NUMBER:
02692971 (ENGLAND & WALES)

HERONSBROOK FLAT MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

DONAL LUCEY & CO
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

43 HIGHFIELD ROAD
DARTFORD
KENT



HERONSBROOK FLAT MANAGEMENT LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

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HERONSBROOK FLAT MANAGEMENT LIMITED

COMPANY INFORMATION

COMPANY NUMBER: 02692971 (England & Wales)

SECRETARY: Ms S Turner

REGISTERED OFFICE: ORCHARDS
ASH TREE WAY
CROYDON
SURREY
CR0 7SX

AUDITORS: Donal lucey & Co.
Chartered Accountants
And Registered Auditors

43 Highfield Road
Dartford
Kent
DA1

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 2000

The directors present their report and the financial statements for the year ended 31 December 2000.

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:

	2000 No.	1999 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 2000

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;

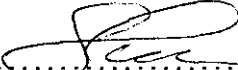
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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, Messers Donal Lucey & Co, are deemed to be re-appointed in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

.....


NAME:

30 March 2001

ORCHARDS
ASH TREE WAY
CROYDON
SURREY
CR0 7SX

AUDIT REPORT TO THE SHAREHOLDERS
HERONSBROOK FLAT MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparations of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

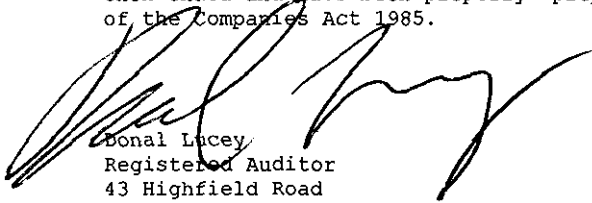
Basis of opinion

We conduct 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 preparations 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 materials 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 31 December 2000 and it's loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Donal Lucey
Registered Auditor
43 Highfield Road
Dartford
Kent

30 March 2001

HERONSBROOK FLAT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
TURNOVER	2	14,002	11,990
Administrative expenses		<u>(9,476)</u>	<u>(8,224)</u>
OPERATING PROFIT		4,526	3,766
Other interest receivable & similar income		<u>373</u>	<u>164</u>
RETAINED PROFIT FOR THE YEAR		<u>4,899</u>	<u>3,930</u>

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2000 therefore turnover and operating profit derive entirely from continued operations.

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

The annexed notes form part of these financial statements.

HERONSBROOK FLAT MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2000

	Note	2000	1999
		£	£
CURRENT ASSETS			
Cash at bank and in hand		<u>15,988</u>	<u>11,136</u>
		15,988	11,136
CREDITORS			
Amounts falling due within one year	3	<u>(446)</u>	<u>(493)</u>
NET CURRENT ASSETS		<u>15,542</u>	<u>10,643</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,542	10,643
PROVISIONS FOR LIABILITIES AND CHARGES	4	<u>(4,000)</u>	<u>(3,000)</u>
NET ASSETS		<u>11,542</u>	<u>7,643</u>
CAPITAL AND RESERVES			
Called up share capital	5	14	14
Profit and loss account	6	<u>11,528</u>	<u>7,629</u>
SHAREHOLDERS' FUNDS	7	<u>11,542</u>	<u>7,643</u>

Approved by the board of directors on 30 March 2001 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 2000

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 2000.

SINKING FUND

The sinking fund is being set aside as a reserve over four years to provide for redecoration to external areas.

2. **TURNOVER**

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

3. **CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000 £	1999 £
Accruals And Deferred Income	<u>446</u>	<u>493</u>
	<u>446</u>	<u>493</u>

4. **PROVISIONS FOR LIABILITIES AND CHARGES**

	Sinking Fund
	£
Balance at 1 January 2000	3,000
Charge for the year	<u>1,000</u>
Balance at 31 December 2000	<u>4,000</u>

HERONSBROOK FLAT MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2000

5.	SHARE CAPITAL	2000	1999
		£	£
	AUTHORISED		
	Ordinary shares of £1 each	<u>100</u>	<u>100</u>
		£	£
	ALLOTTED, CALLED UP AND FULLY PAID		
	Ordinary shares of £1 each	<u>14</u>	<u>14</u>
6.	PROFIT AND LOSS ACCOUNT	2000	
		£	
	Balance at 1 January 2000	7,629	
	Transferred to Sinking Fund	(1,000)	
	Retained profit for the year	<u>4,899</u>	
	Balance at 31 December 2000	<u>11,528</u>	
7.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2000	1999
		£	£
	Profit for the financial year	4,899	3,930
	Transferred to Sinking Fund	(1,000)	(1,000)
	Shareholders' funds at 1 January 2000	<u>7,643</u>	<u>4,713</u>
	Shareholders' funds at 31 December 2000	<u>11,542</u>	<u>7,643</u>
8.	POST BALANCE SHEET EVENTS		
	There has been no events since the balance sheet date which materially affect the position of the company.		