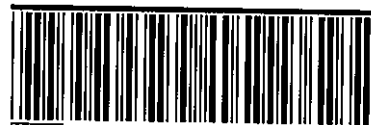


Company Registration No. 851579 (England and Wales)

Reg of Cos.
TO BE SIGNED BY DIRECTOR
ON PAGE 5 AND BY SECRETARY
ON PAGE 2 AS INDICATED, AND
RETURNED TO CRANE & PARTNERS.

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997



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COMPANIES HOUSE 28/10/97

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

COMPANY INFORMATION

Directors	R Lavington S Dibben A Denbeigh M Burstow	(Appointed 22 July 1997) (Appointed 14 November 1996)
Secretary	B Morris	
Company number	851579	
Registered office	69, The Heights, Foxgrove Road Beckenham Kent BR3 2BZ	
Auditors	Crane & Partners Rutland House 44 Masons Hill Bromley Kent BR2 9EQ	

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

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Income and expenditure account	4
Balance sheet	5
Notes to the financial statements	6 - 8

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997

The directors present their report and financial statements for the year ended 30 June 1997.

Principal activities

The principal activity of the company continued to be the maintenance of 37 houses and common grounds forming The Heights No. 2 Estate.

Directors

The following directors have held office since 1 July 1996:

R Lavington	(Appointed 22 July 1997)
J S Ohlson	(Resigned 30 April 1997)
S Dibben	
R Pye	(Resigned 22 July 1997)
A Denbeigh	
A Watson	(Resigned 14 November 1996)
M Burstow	(Appointed 14 November 1996)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £10 each	
	30 June 1997	1 July 1996
S Dibben	1	1
R Pye	1	1
A Denbeigh	1	1
M Burstow	1	1

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Crane & Partners be reappointed as auditors of the company will be put to the Annual General Meeting.

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997

Directors' responsibilities

Company law requires the directors to prepare financial statements 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 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.

This report 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



B Morris

Secretary

9 October 1997

851579

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

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 2 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 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 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 the company's affairs as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Crane & Partners

9 October 1997

Chartered Accountants
Registered Auditor

Rutland House
44 Masons Hill
Bromley
Kent
BR2 9EQ

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 1997

	Notes	1997 £	1996 £
Income	2	19,536	19,536
Administrative expenses		(14,778)	(12,335)
Operating surplus	3	4,758	7,201
Other interest receivable and similar income	4	1,699	1,488
Surplus on ordinary activities before taxation		6,457	8,689
Tax on surplus on ordinary activities	5	(395)	(368)
Surplus on ordinary activities after taxation	10	6,062	8,321

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income and expenditure account.

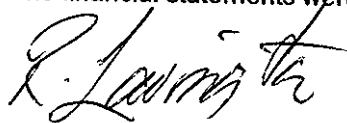
THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

BALANCE SHEET AS AT 30 JUNE 1997

	Notes	1997		1996	
		£	£	£	£
Fixed assets					
Tangible assets	6		3,604		3,604
Current assets					
Debtors	7	1,652		1,972	
Cash at bank and in hand		45,364		38,830	
			47,016		40,802
Creditors: amounts falling due within one year	8	(1,201)		(1,049)	
Net current assets			45,815		39,753
Total assets less current liabilities			49,419		43,357
Capital and reserves					
Called up share capital	9		370		370
Income and expenditure account	10		49,049		42,987
Shareholders' funds - equity interests	11		49,419		43,357

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 9 October 1997



R Lavington
Director

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Tangible fixed assets and depreciation

Land and buildings Freehold

No depreciation is provided in respect of freehold interest in land as, in the opinion of the directors, there is no significant wasting of the freehold.

2 Income	1997	1996
	£	£
Contributions from residents	19,537	19,536
	<u> </u>	<u> </u>
3 Operating profit	1997	1996
	£	£
Operating profit is stated after charging: Auditors' remuneration	658	646
	<u> </u>	<u> </u>
4 Other interest receivable and similar income	1997	1996
	£	£
Bank interest	1,699	1,488
	<u> </u>	<u> </u>
5 Taxation	1997	1996
	£	£
U.K. current year taxation		
U.K. corporation tax at 21% (1996 - 24%)	395	368
	<u> </u>	<u> </u>

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

BALANCE SHEET AS AT 30 JUNE 1997

	Notes	1997		1996	
		£	£	£	£
Fixed assets					
Tangible assets	6		3,604		3,604
Current assets					
Debtors	7	1,652		1,972	
Cash at bank and in hand		45,364		38,830	
		<u>47,016</u>		<u>40,802</u>	
Creditors: amounts falling due within one year	8	<u>(1,201)</u>		<u>(1,049)</u>	
Net current assets			<u>45,815</u>		<u>39,753</u>
Total assets less current liabilities			<u>49,419</u>		<u>43,357</u>
Capital and reserves					
Called up share capital	9		370		370
Income and expenditure account	10		49,049		42,987
Shareholders' funds - equity interests	11		<u>49,419</u>		<u>43,357</u>

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THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

1 Accounting policies

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2 Income	1997	1996
	£	£
Contributions from residents	19,537	19,536
	<u> </u>	<u> </u>
3 Operating profit	1997	1996
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	658	646
	<u> </u>	<u> </u>
4 Other interest receivable and similar income	1997	1996
	£	£
Bank interest	1,699	1,488
	<u> </u>	<u> </u>
5 Taxation	1997	1996
	£	£
U.K. current year taxation		
U.K. corporation tax at 21% (1996 - 24%)	395	368
	<u> </u>	<u> </u>

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

6	Tangible fixed assets		
	Cost		Land and buildings £
	At 1 July 1996 & at 30 June 1997		3,604
	Depreciation		
	At 1 July 1996 & at 30 June 1997		-
	Net book value		
	At 30 June 1997		3,604
	At 30 June 1996		3,604
7	Debtors	1997	1996
		£	£
	Trade debtors	1,571	1,817
	Other debtors	81	155
		<u>1,652</u>	<u>1,972</u>
8	Creditors: amounts falling due within one year	1997	1996
		£	£
	Taxation and social security	395	368
	Other creditors	806	681
		<u>1,201</u>	<u>1,049</u>
9	Share capital	1997	1996
		£	£
	Authorised		
	37 Ordinary shares of £10 each	370	370
	Allotted, called up and fully paid		
	37 Ordinary shares of £10 each	370	370

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

10 Statement of movements on income and expenditure account

	Income and expenditure account £
Balance at 1 July 1996	42,987
Retained surplus for the year	6,062
	<hr/>
Balance at 30 June 1997	49,049
	<hr/> <hr/>

11 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Surplus for the financial year	6,062	8,321
Opening shareholders' funds	43,357	35,036
	<hr/>	<hr/>
Closing shareholders' funds	49,419	43,357
	<hr/> <hr/>	<hr/> <hr/>