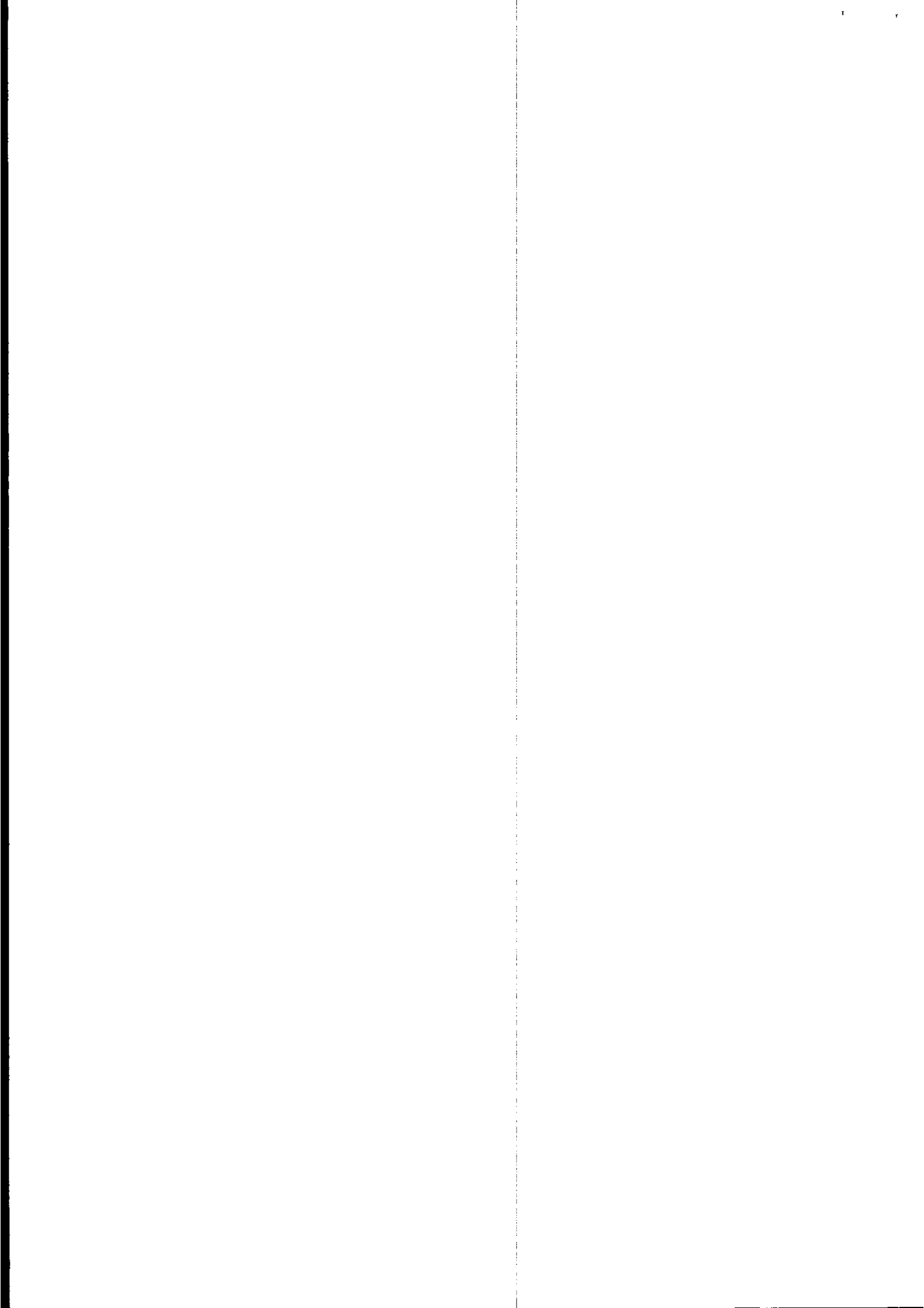


REGISTERED NUMBER: 851579 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006
FOR
THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

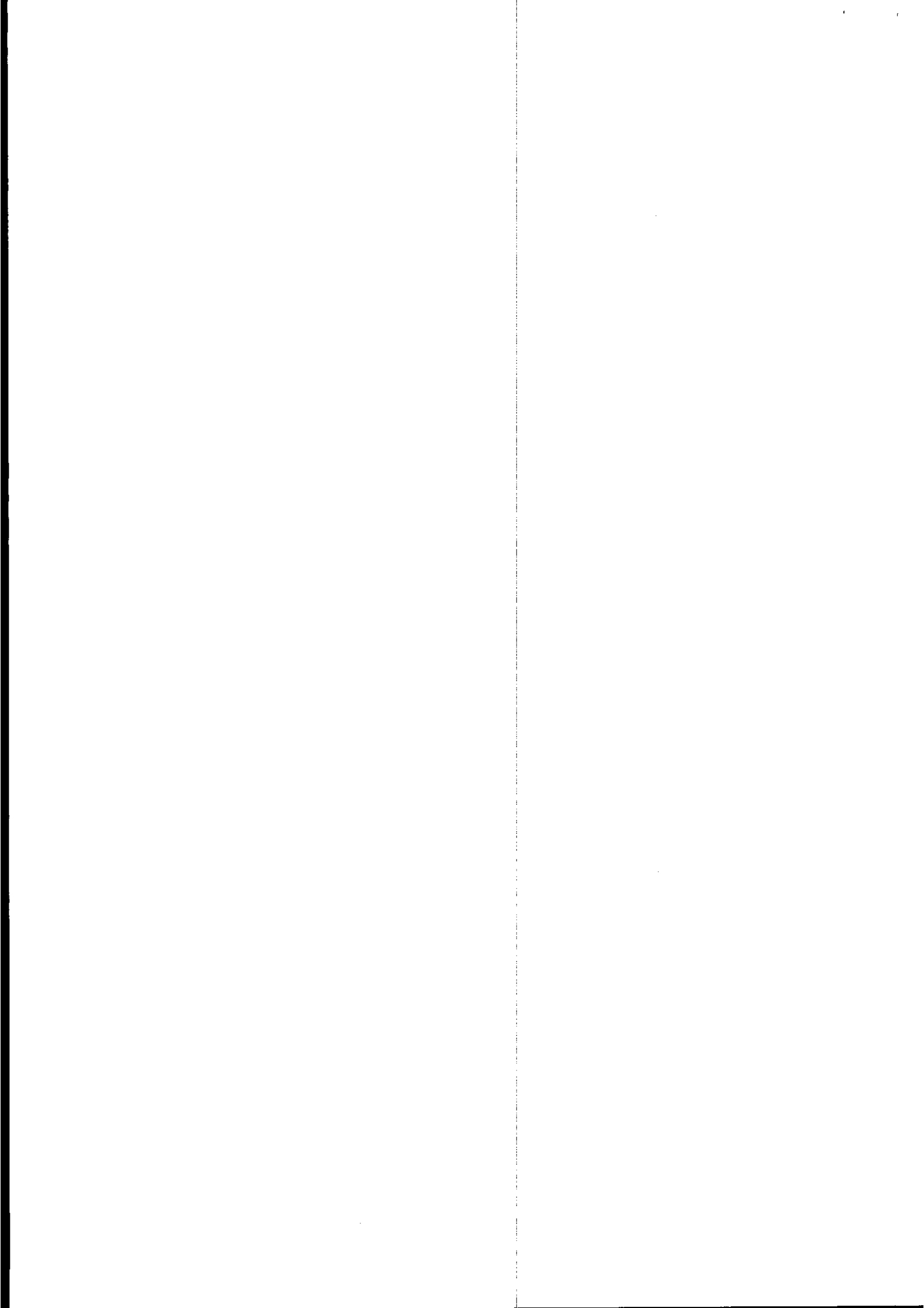




THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2006**

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Report of the Directors	2
Report of the Independent Auditors	4
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THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

COMPANY INFORMATION
For The Year Ended 30 June 2006

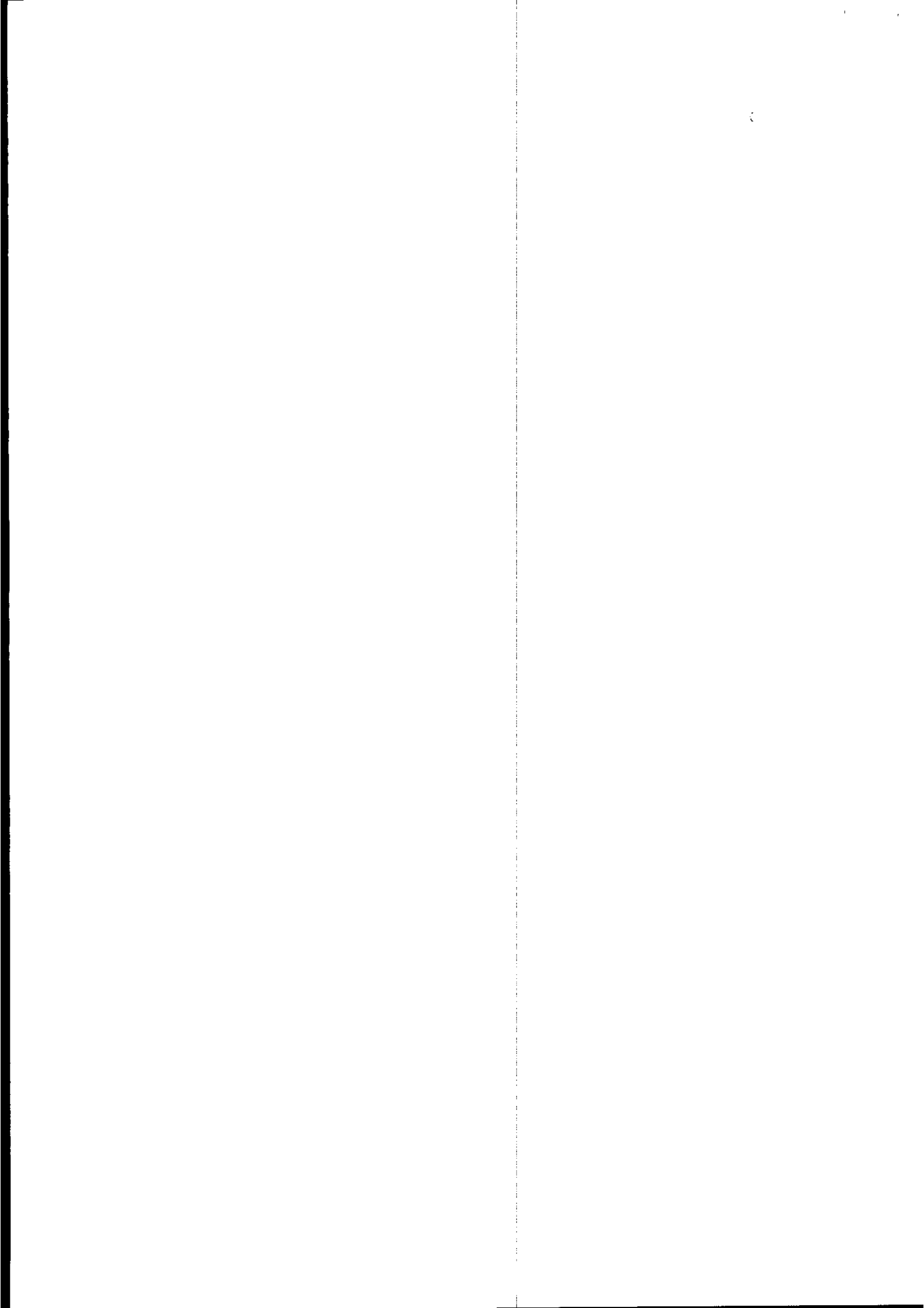
DIRECTORS: C Clarke
R Seeley

SECRETARY: PH Holmes-Johnson

REGISTERED OFFICE: 98 The Heights
Foxgrove Road
Beckenham
Kent
BR3 5BZ

REGISTERED NUMBER: 851579 (England and Wales)

AUDITORS: Crane & Partners
Chartered Accountants & Registered Auditors
Sussex House
8-10 Homesdale Road
Bromley
Kent
BR2 9LZ



THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

REPORT OF THE DIRECTORS For The Year Ended 30 June 2006

The directors present their report with the financial statements of the company for the year ended 30 June 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the maintenance of 37 houses and common grounds forming The Heights No 2 Estate.

DIRECTORS

The directors during the year under review were:

C Clarke
R Seeley
S Rayner - resigned 18/4/2006

The beneficial interests of the directors holding office on 30 June 2006 in the issued share capital of the company were as follows:

	30.6.06	1.7.05
Ordinary £10 shares		
C Clarke	1	1
R Seeley	1	1

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

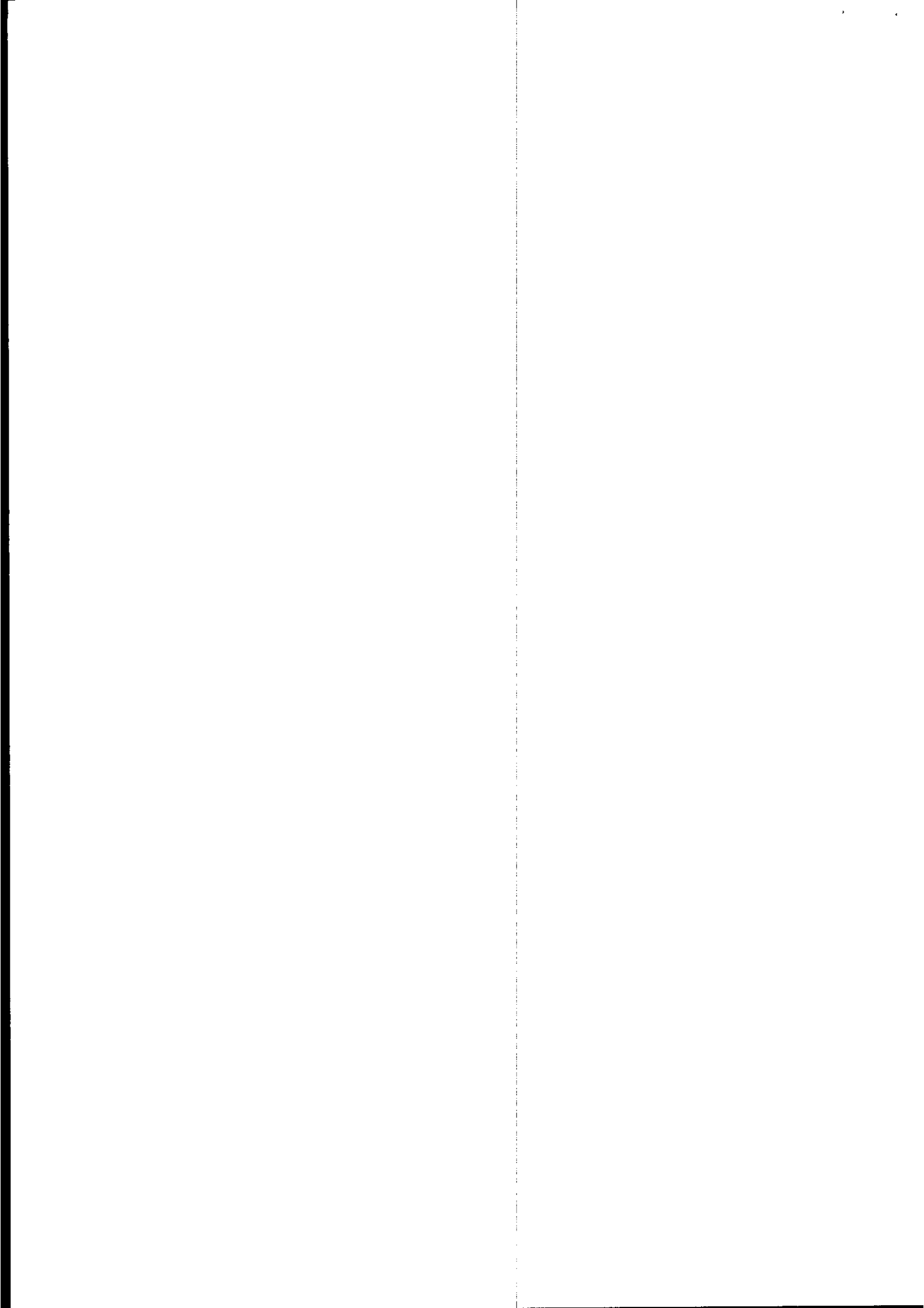
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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



THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

**REPORT OF THE DIRECTORS
For The Year Ended 30 June 2006**

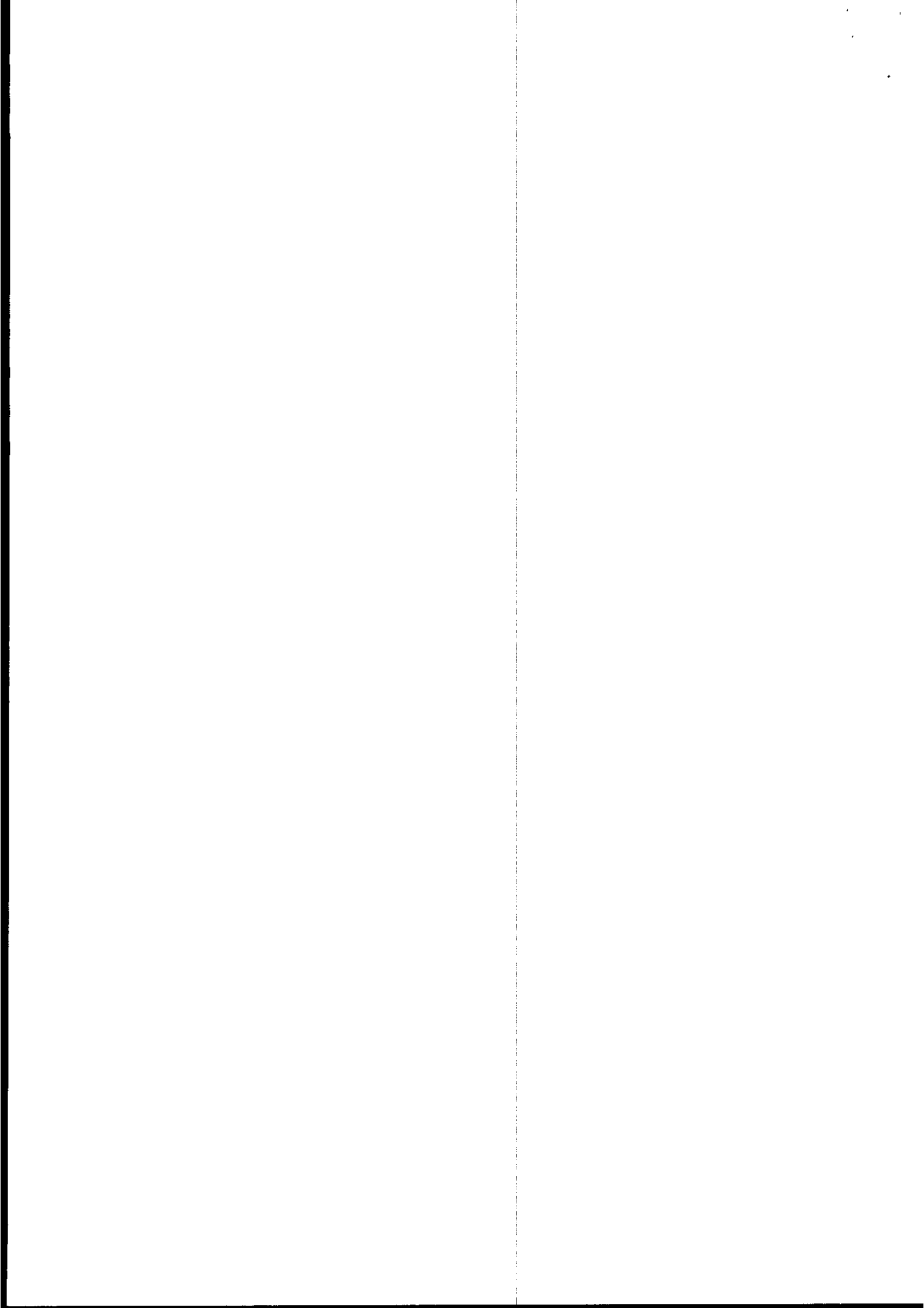
This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



R Seeley - Director

7 November 2006



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

We have audited the financial statements of The Heights (Management) No 2 Limited for the year ended 30 June 2006 on pages six to nine. These financial statements have been prepared under 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 on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

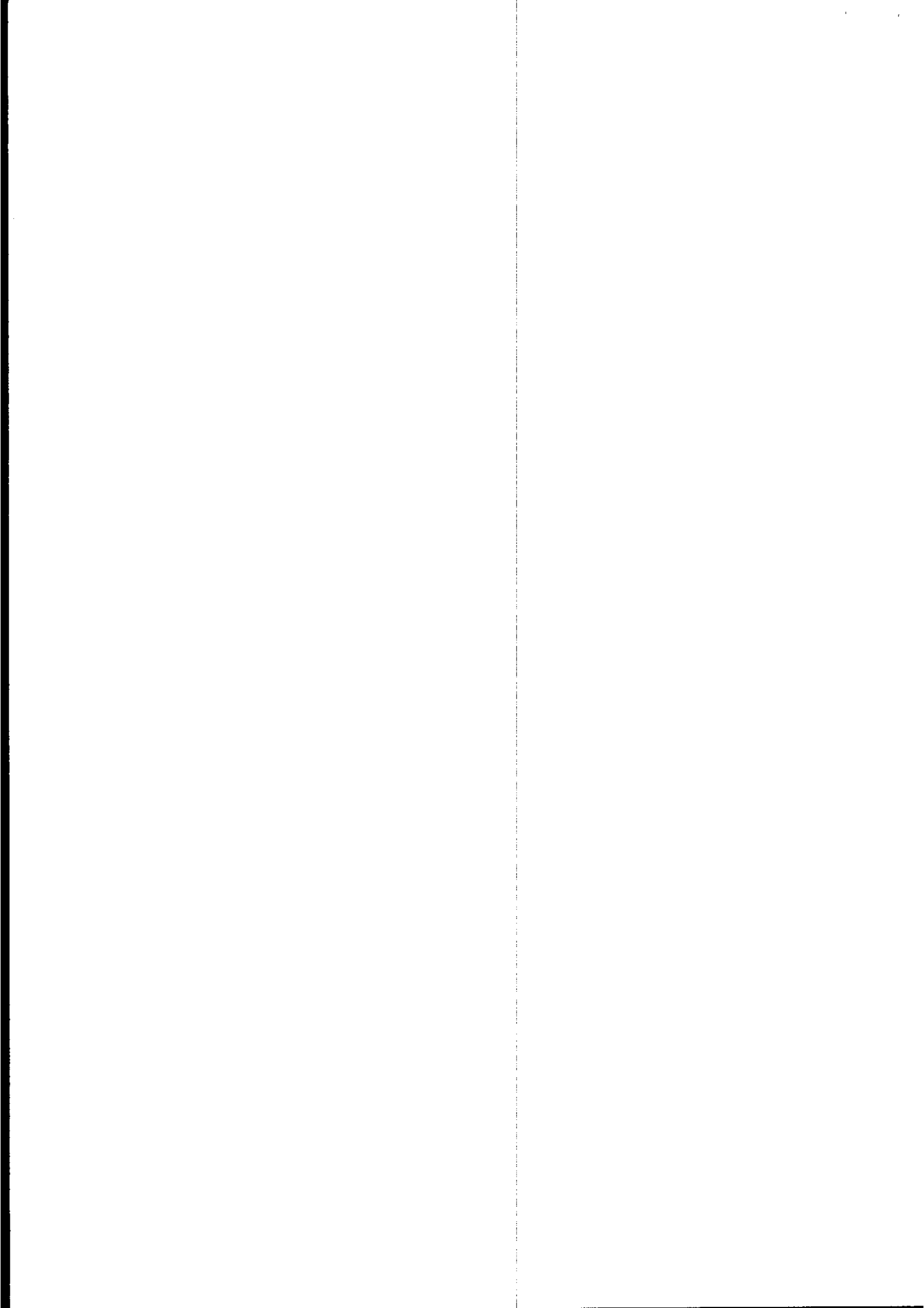
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements, if the company has not 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.



**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
THE HEIGHTS (MANAGEMENT) NO 2 LIMITED**

Opinion

In our opinion the financial statements:

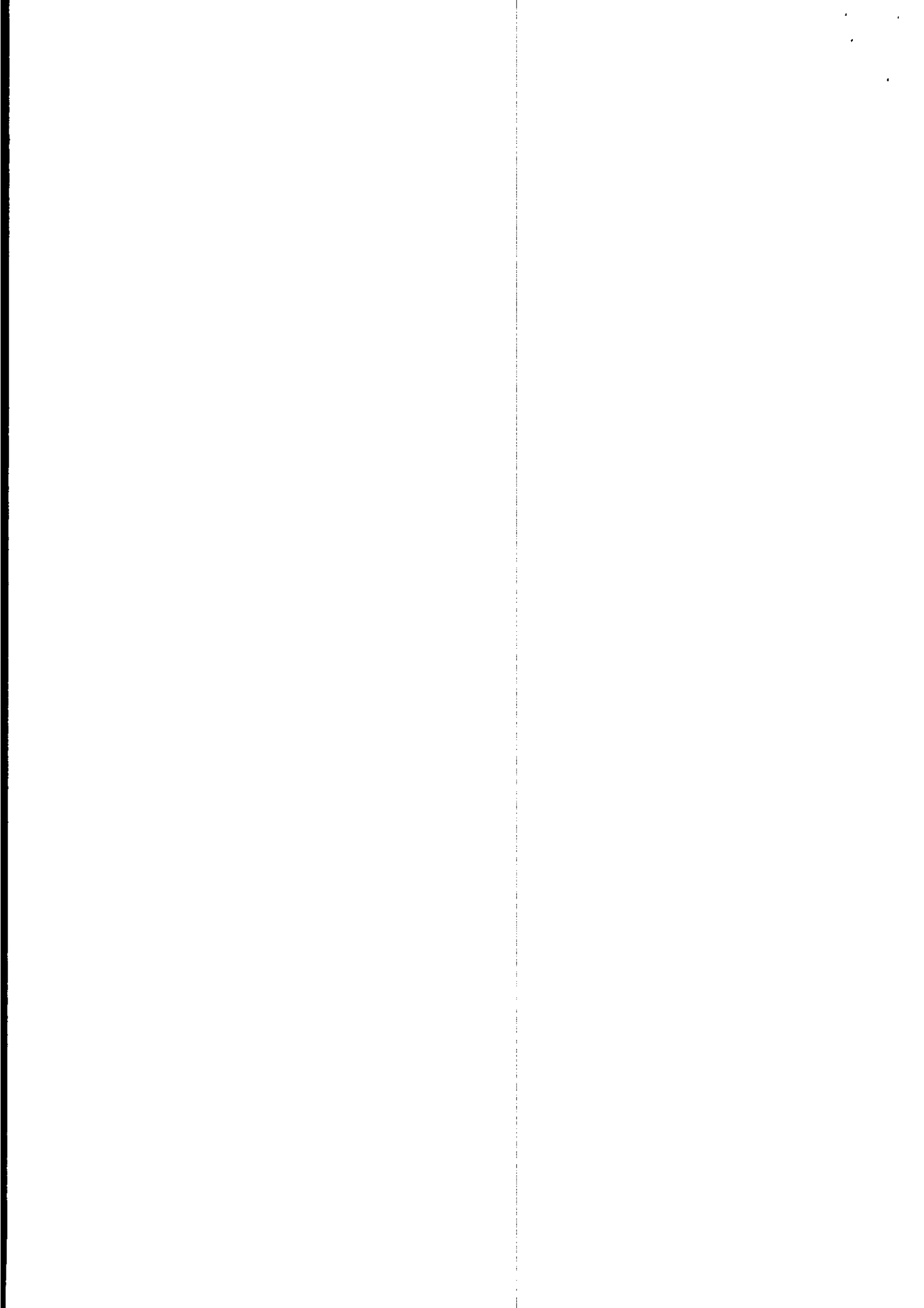
- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.

Crane & Partners

Crane & Partners
Chartered Accountants & Registered Auditors
Sussex House
8-10 Homesdale Road
Bromley
Kent
BR2 9LZ

Date: *13 November 2006*
Date:



THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 30 June 2006

	Notes	2006 £	2005 £
TURNOVER		32,190	30,014
Administrative expenses		<u>11,627</u>	<u>10,487</u>
OPERATING PROFIT	2	20,563	19,527
Interest receivable and similar income		<u>1,967</u>	<u>1,615</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		22,530	21,142
Tax on profit on ordinary activities	3	<u>-</u>	<u>(91)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>22,530</u></u>	<u><u>21,233</u></u>

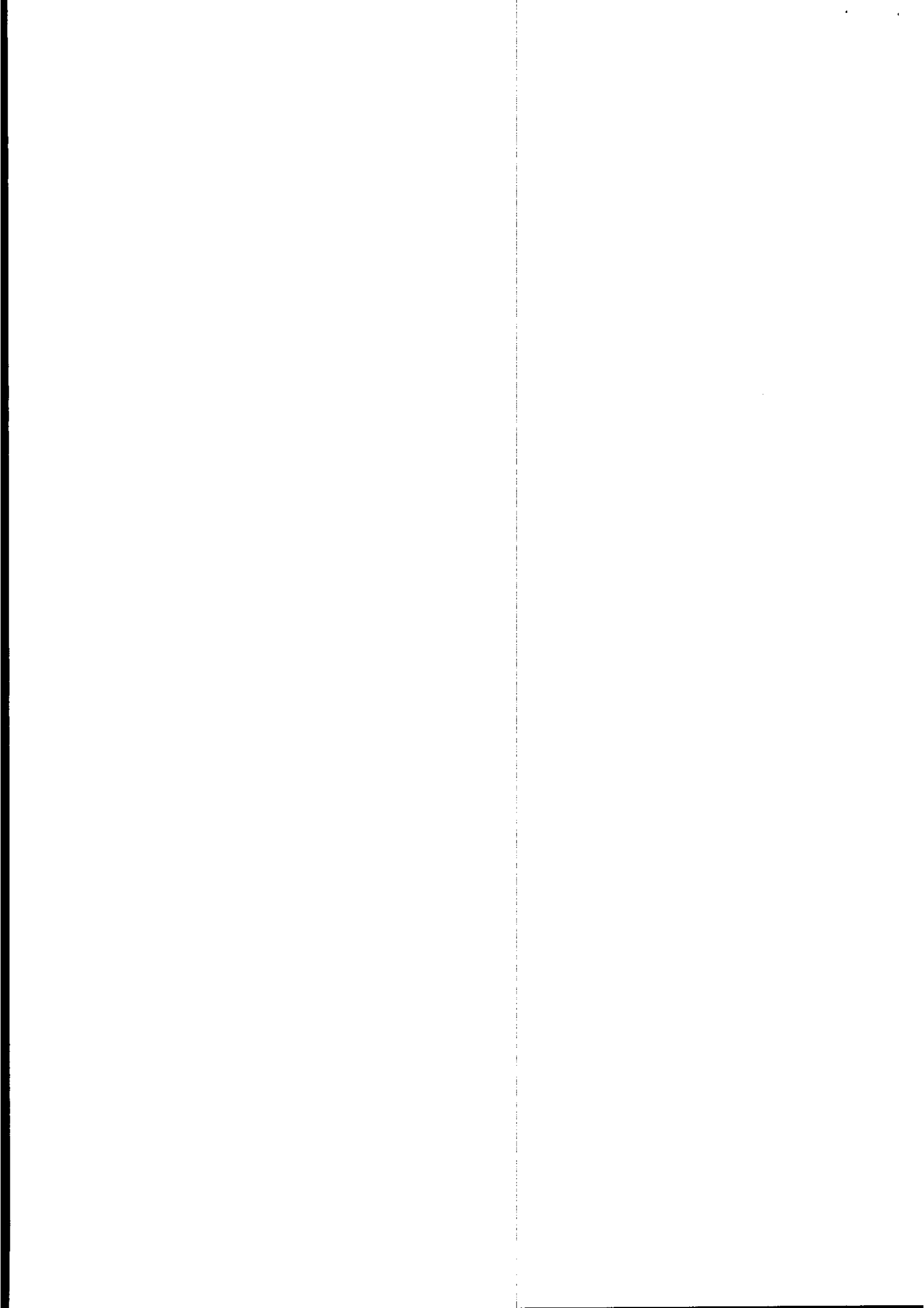
CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements



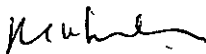
THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

BALANCE SHEET
30 June 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	4	3,604	3,604
CURRENT ASSETS			
Debtors	5	1,144	1,239
Cash at bank		93,788	71,682
		<u>94,932</u>	<u>72,921</u>
CREDITORS			
Amounts falling due within one year	6	3,213	3,732
NET CURRENT ASSETS		<u>91,719</u>	<u>69,189</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>95,323</u>	<u>72,793</u>
CAPITAL AND RESERVES			
Called up share capital	7	370	370
Profit and loss account	8	94,953	72,423
SHAREHOLDERS' FUNDS	9	<u>95,323</u>	<u>72,793</u>

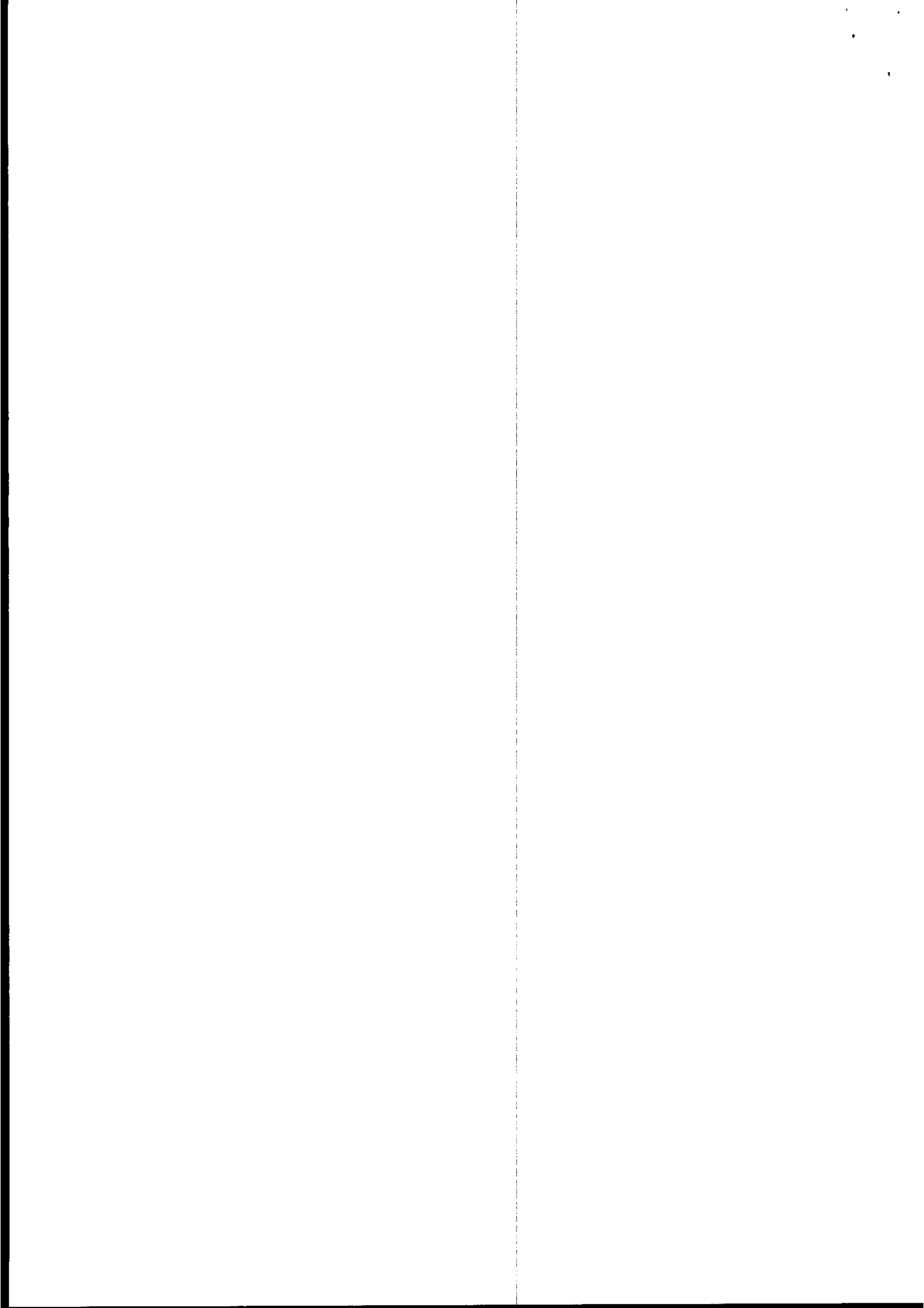
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors on 7 November 2006 and were signed on its behalf by:



R Seeley - Director

The notes form part of these financial statements



THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Tangible fixed assets

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

2. OPERATING PROFIT

The operating profit is stated after charging:

	2006 £	2005 £
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	2006 £	2005 £
Current tax:		
UK corporation tax	-	(91)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	-	(91)
	<u> </u>	<u> </u>

4. TANGIBLE FIXED ASSETS

COST

At 1 July 2005
and 30 June 2006

Land and
buildings
£

3,604

NET BOOK VALUE

At 30 June 2006

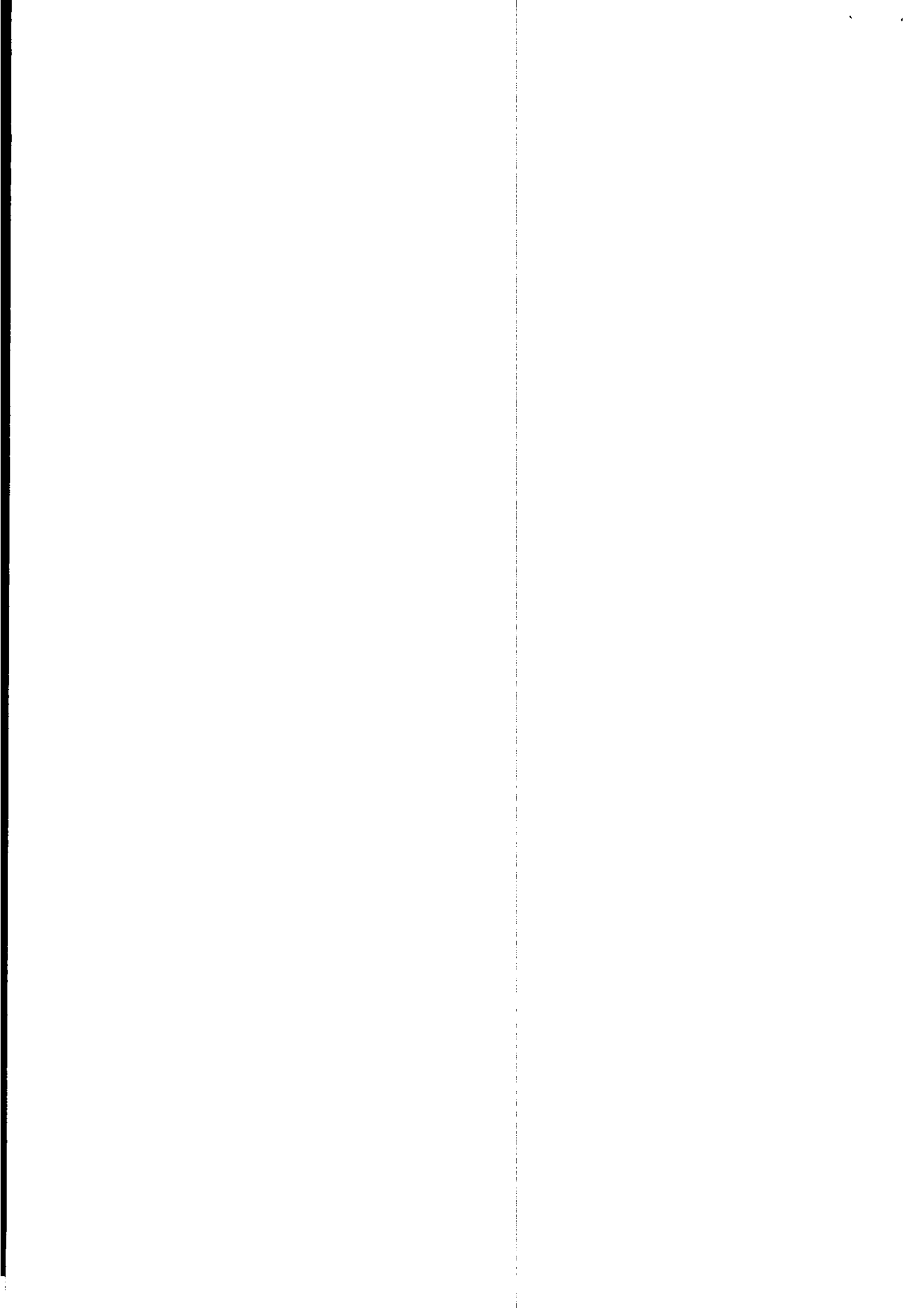
3,604

At 30 June 2005

3,604

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Service charges receivable	325	420
Prepayments and accrued income	819	819
	<u>1,144</u>	<u>1,239</u>



THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 30 June 2006

6.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
			2006	2005	
			£	£	
	Service charges received in advance		60	30	
	Accruals and deferred income		3,153	3,702	
			<u>3,213</u>	<u>3,732</u>	
7.	CALLED UP SHARE CAPITAL				
	Authorised, allotted, issued and fully paid:				
	Number:	Class:	Nominal value:	2006	2005
				£	£
	37	Ordinary	£10	370	370
				<u>370</u>	<u>370</u>
8.	RESERVES				
					Profit and loss account
					£
	At 1 July 2005				72,423
	Profit for the year				22,530
					<u>94,953</u>
	At 30 June 2006				<u>94,953</u>
9.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS				
			2006	2005	
			£	£	
	Profit for the financial year		22,530	21,233	
	Net addition to shareholders' funds		<u>22,530</u>	<u>21,233</u>	
	Opening shareholders' funds		72,793	51,560	
	Closing shareholders' funds		<u>95,323</u>	<u>72,793</u>	
	Equity interests		<u>95,323</u>	<u>72,7</u>	

