

851579

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
FOR
THE HEIGHTS (MANAGEMENT) NO 2 LIMITED**



THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2005

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Profit and Loss Account	8

THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

COMPANY INFORMATION
For The Year Ended 30 June 2005

DIRECTORS: C Clarke
R Seeley
S Rayner

SECRETARY: D Harris

REGISTERED OFFICE: 71 The Heights
Foxgrove Road
Beckenham
Kent
BR3 5BZ

REGISTERED NUMBER: 851579 (England and Wales)

AUDITORS: Crane & Partners
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 2005

The directors present their report with the financial statements of the company for the year ended 30 June 2005.

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

The beneficial interests of the directors holding office on 30 June 2005 in the issued share capital of the company were as follows:

	30.6.05	1.7.04
Ordinary £10 shares		
C Clarke	1	1
R Seeley	1	1
S Rayner	1	1

STATEMENT OF 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.

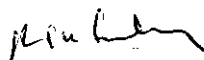
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

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

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

8 November 2005

**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 2005 on pages four to seven. These financial statements have been prepared under the historical cost convention and 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.

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 Report of the Directors 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 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 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 the company's affairs as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Crane & Partners
Sussex House
8-10 Homesdale Road
Bromley
Kent
BR2 9LZ

Date: 25 November 2005

THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 30 June 2005

	Notes	2005 £	2004 £
TURNOVER		30,014	26,759
Administrative expenses		<u>10,487</u>	<u>22,116</u>
OPERATING PROFIT	2	19,527	4,643
Interest receivable and similar income		<u>1,615</u>	<u>959</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		21,142	5,602
Tax on profit on ordinary activities	3	<u>(91)</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		21,233	5,602
RETAINED PROFIT FOR THE YEAR		<u>21,233</u>	<u>5,602</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

BALANCE SHEET
30 June 2005

	Notes	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		3,604		3,604
CURRENT ASSETS					
Debtors	5	1,239		745	
Cash at bank		<u>71,682</u>		<u>52,871</u>	
		72,921		53,616	
CREDITORS					
Amounts falling due within one year	6	<u>3,732</u>		<u>5,660</u>	
NET CURRENT ASSETS			69,189		47,956
TOTAL ASSETS LESS CURRENT LIABILITIES			72,793		51,560
CAPITAL AND RESERVES					
Called up share capital	7		370		370
Profit and loss account	8		<u>72,423</u>		<u>51,190</u>
SHAREHOLDERS' FUNDS	9		72,793		51,560

These financial statements have 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

Approved by the Board on 8 November 2005

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 2005

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:

	2005	2004
	£	£
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:

	2005	2004
	£	£
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 2004
and 30 June 2005

**Land and
buildings
£**

3,604

NET BOOK VALUE

At 30 June 2005

3,604

At 30 June 2004

3,604

THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 30 June 2005

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		2005	2004
		£	£
Trade debtors		420	480
Other debtors		819	265
		<u>1,239</u>	<u>745</u>
6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		2005	2004
		£	£
Trade creditors		30	-
Other creditors		3,702	5,660
		<u>3,732</u>	<u>5,660</u>
7. CALLED UP SHARE CAPITAL			
Authorised, allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
37	Ordinary	£10	
		2005	2004
		£	£
		<u>370</u>	<u>370</u>
8. RESERVES			
			Profit and loss account
			£
At 1 July 2004			51,190
Retained profit for the year			21,233
			<u>72,423</u>
At 30 June 2005			
9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS			
		2005	2004
		£	£
Profit for the financial year		21,233	5,602
Net addition to shareholders' funds		<u>21,233</u>	5,602
Opening shareholders' funds		51,560	45,958
Closing shareholders' funds		<u>72,793</u>	<u>51,560</u>
Equity interests		<u>72,793</u>	<u>51,560</u>

THE HEIGHTS (MANAGEMENT) NO 2 LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 30 June 2005

	2005		2004	
	£	£	£	£
Turnover				
Maintenance fees	29,970		26,640	
Additional contributions	-		119	
Sundry income	44		-	
	<u> </u>	30,014	<u> </u>	26,759
Other income				
Bank interest receivable		1,615		959
		<u> </u>		<u> </u>
		31,629		27,718
Expenditure				
Gardening	3,241		1,268	
Water rates	64		69	
Insurance	394		644	
Electricity	322		280	
Repairs and renewals	1,906		15,430	
External decoration	832		-	
Window cleaning	1,971		1,932	
Sundry expenses	705		222	
Accountancy	752		752	
Annual return	45		15	
Surveyors fees	85		1,504	
Legal fees	170		-	
	<u> </u>	10,487	<u> </u>	22,116
NET PROFIT		<u> </u>		<u> </u>
		21,142		5,602

This page does not form part of the statutory financial statements