

Reg. of Cos.

Company Registration No. 851579 (England and Wales)

TO BE SIGNED BY 1 DIRECTOR
ON PAGE 4 AND BY SECRETARY S. A. L. 28 28
ON PAGE 1 AS INDICATED, AND
RETURNED TO CRANE & PARTNERS.

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000



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THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

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THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000

The directors present their report and financial statements for the year ended 30 June 2000 .

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 1999:

V Lavington
S. Lee
H. Smith

Directors' interests

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

	Ordinary shares of £ 10 each	
	30 June 2000	1 July 1999
S. Lee	1	1
V Lavington	1	1
H. Smith	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.

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



S. Lee

Director

16 October 2000

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 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Crane & Partners

Crane & Partners

Chartered Accountants
Registered Auditor

20 October 2000

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 2000

	Notes	2000 £	1999 £
Income	2	19,360	19,436
Administrative expenses		(15,203)	(14,245)
Operating surplus		4,157	5,191
Other interest receivable and similar income	3	1,506	1,354
Surplus on ordinary activities before taxation		5,663	6,545
Tax on surplus on ordinary activities	4	(301)	(281)
Surplus on ordinary activities after taxation	9	5,362	6,264

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 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	5		3,604		3,604
Current assets					
Debtors	6	563		1,860	
Cash at bank and in hand		47,768		36,201	
		<u>48,331</u>		<u>38,061</u>	
Creditors: amounts falling due within one year	7	<u>(5,868)</u>		<u>(960)</u>	
Net current assets			<u>42,463</u>		<u>37,101</u>
Total assets less current liabilities			<u><u>46,067</u></u>		<u><u>40,705</u></u>
Capital and reserves					
Called up share capital	8		370		370
Income and expenditure account	9		45,697		40,335
			<u>46,067</u>		<u>40,705</u>
Shareholders' funds - equity interests	10		<u><u>46,067</u></u>		<u><u>40,705</u></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 on 16 October 2000



S. Lee
Director

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

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	2000	1999
	£	£
Contributions from residents	19,360	19,436
	<u> </u>	<u> </u>
3 Other interest receivable and similar income	2000	1999
	£	£
Bank interest	1,506	1,354
	<u> </u>	<u> </u>
4 Taxation	2000	1999
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1999 - 20%/21%)	301	281
	<u> </u>	<u> </u>
5 Tangible fixed assets		
		Freehold interest
		£
Cost		
At 1 July 1999 & at 30 June 2000		3,604
		<u> </u>
Depreciation		
At 1 July 1999 & at 30 June 2000		-
		<u> </u>
Net book value		
At 30 June 2000		3,604
		<u> </u>
At 30 June 1999		3,604
		<u> </u>

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

6	Debtors	2000	1999
		£	£
	Trade debtors	308	528
	Other debtors	255	1,332
		<u>563</u>	<u>1,860</u>
		<u><u>563</u></u>	<u><u>1,860</u></u>
7	Creditors: amounts falling due within one year	2000	1999
		£	£
	Taxation and social security	301	281
	Other creditors	5,567	679
		<u>5,868</u>	<u>960</u>
		<u><u>5,868</u></u>	<u><u>960</u></u>
8	Share capital	2000	1999
		£	£
	Authorised		
	37 Ordinary shares of £ 10 each	<u>370</u>	<u>370</u>
		<u><u>370</u></u>	<u><u>370</u></u>
	Allotted, called up and fully paid		
	37 Ordinary shares of £ 10 each	<u>370</u>	<u>370</u>
		<u><u>370</u></u>	<u><u>370</u></u>
9	Statement of movements on income and expenditure account		Income and expenditure account
			£
	Balance at 1 July 1999		40,335
	Retained surplus for the year		<u>5,362</u>
	Balance at 30 June 2000		<u><u>45,697</u></u>

THE HEIGHTS (MANAGEMENT) NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

10 Reconciliation of movements in shareholders' funds	2000	1999
	£	£
Surplus for the financial year	5,362	6,264
Opening shareholders' funds	40,705	34,441
	<hr/>	<hr/>
Closing shareholders' funds	46,067	40,705
	<hr/> <hr/>	<hr/> <hr/>