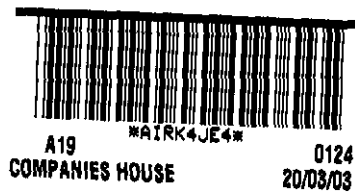


Company No: 03437642

REPORT AND FINANCIAL STATEMENTS

28 September 2002

VALENTINE COURT MANAGEMENT LIMITED



INDEX	Page
Directors and Officer	1
Report of the Directors	2
Profit and Loss Account	3
Statement of Movements on Reserves	3
Balance Sheet	4
Notes to the Accounts	5

DIRECTORS AND OFFICER

DIRECTORS

R C Grayson
H D Myland
H Phillips

SECRETARY

R C Grayson

REGISTERED OFFICE

The Gables
Woodhurst Lane
Oxted
Surrey
RH8 9HD

REPORT OF THE DIRECTORS

The Directors submit their Report and the Accounts for the year ended 28 September 2002

RESULTS AND DIVIDENDS

The results of the Company for the year under review are set out in detail on page 3.

The Company does not pay dividends.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the management and maintenance of residential property.

DIRECTORS

The Directors who served during the period and their beneficial and family interests at the end of the period in the shares of the Company were:

Ordinary Shares at 28 September 2002

R C Grayson	500
H D Myland	500
H Phillips	500

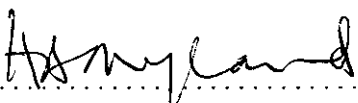
TAXATION STATUS

In the opinion of the Directors the Company is not a close company for taxation purposes.

EXEMPTIONS

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

Approved by the Board of Directors
and signed on behalf of the Board

.....  Director
..... 31.01.03 Date

PROFIT AND LOSS ACCOUNT
for the year ended 28 September 2002

2001 £	Note	2002 £
10,530 TURNOVER	1(b)	11,250
10,324 Administrative Expenses	7	10,765
<hr/>		<hr/>
206 SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		485
48 Tax (Tax Refund) on Surplus on ordinary activities	3	32
158 SURPLUS FOR YEAR TRANSFERRED TO RESERVES		<hr/> 453 <hr/>

STATEMENT OF MOVEMENTS ON RESERVES
for the year ended 28 September 2002

RETAINED SURPLUS	£
428 Balance brought forward	586
158 Retained Surplus for period	453
<hr/> 586 Balance at 28 September	<hr/> 1,039 <hr/>
 RESERVE FUND	
4,300 Balance brought forward	420
1,080 Received from Lessees	1,350
140 Building Society interest	130
<hr/> 5,520	<hr/> 1,900
5,100 Less: Painting costs	-
<hr/> 420 Balance at 28 September	<hr/> 1,900 <hr/>

RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than those shown above.

The Notes on Page 5 form an integral part of this Account

BALANCE SHEET 28 September 2002

2001		Note	2002
£			£
	FIXED ASSETS		
4,500	Interest in Freehold Property		4,500
	CURRENT ASSETS		
2,017	Bank Balance		1,160
1,341	Building Society		2,924
291	Debtors and Prepayments	4	741
-----			-----
3,649			4,825
	LESS: CREDITORS: amounts falling		
2,643	due within one year	5	1,886
-----			-----
1,006			2,939
	TOTAL ASSETS LESS CURRENT LIABILITIES		
5,506			7,439
=====			=====
	CAPITAL AND RESERVES		
4,500	Called up share capital	6	4,500
586	Profit and Loss Account		1,039
420	Reserve Fund	7	1,900

5,506	SHAREHOLDERS' FUNDS - EQUITY INTERESTS		7,439
=====			=====

The Notes on page 5 form an integral part of this Statement.

+++++

The Directors have taken advantage of the exemption conferred by Section 249A(1) of the Companies Act 1985 not to have these Accounts audited and confirm that no notice has been deposited under Section 249B(2) of the Act in relation to the Accounts for this financial period.

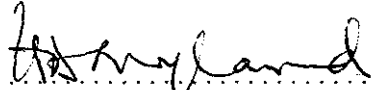
The Directors acknowledge their responsibility for ensuring that:

- (i) the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- (ii) the Accounts give a true and fair view of the state of affairs of the Company as at 28 September 2002 and of its surplus for the period then ended in accordance with the requirements of Section 226 and otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

The Accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The above Accounts were approved by the Board of Directors on 07.12.02

Signed on behalf of the Board of Directors


 Director
 31.01.03
 Date

NOTES TO THE ACCOUNTS 28 September 2002

1. ACCOUNTING POLICIES

These Accounts have been prepared in accordance with applicable accounting standards issued by UK Accountancy Bodies. The particular accounting policies adopted are described below:

(a) Accounting convention: the financial statements have been prepared in accordance with the historical cost convention.

(b) Turnover: this comprises agreed contributions from Lessees towards the running costs of the property.

2. EMPLOYEES

The Company has no employees.

3. TAX ON ORDINARY ACTIVITIES

The purpose of the Company is to defray the cost of managing and maintaining the property making neither profit nor loss; any surplus is set against future contributions. Under Section 42 of the Landlord and Tenant Act 1987 Lessees' contributions for maintenance and the reserve fund are paid into a trust fund, and investment income is chargeable to tax at the 34% rate applicable to trusts.

	2002	2001
	£	£
Trust income tax	32	48

4. DEBTORS AND PREPAYMENTS

Amounts due from Lessees:	15	-
Other items	409	96
Prepayments	317	195
	<hr/>	<hr/>
	741	291
	<hr/>	<hr/>

5. CREDITORS: amounts falling due within one year

Creditors and accruals	758	996
Maintenance contributions in advance	1,128	1,647
	<hr/>	<hr/>
	1,886	2,643
	<hr/>	<hr/>

6. SHARE CAPITAL

Authorised: 4,500 ordinary shares of £1	4,500	4,500
	<hr/>	<hr/>
Issued: 4,500 ordinary shares of £1	4,500	4,500
	<hr/>	<hr/>

7. RESERVE FUND

Lessees' contributions commenced in 1999-00 and have been credited to the Fund. Claims on the Developer for recovery of professional fees and security costs totalling £3,152, and £1,156 in respect of unpaid debts, were made in earlier years. In an out-of Court settlement the Developer refunded £2,700, credited to the Reserve Fund. Unrecovered sums were charged in the 1999-2000 Profit & Loss Account. Exterior and interior redecoration carried out in 2001 was charged to the Reserve Fund.

INCOME AND EXPENDITURE ACCOUNT
for the Year ended 28 September 2002

2001 £		2002 £
INCOME		
10,530	Maintenance contributions receivable	11,250
<hr/>		
EXPENDITURE ON PROPERTY MAINTENANCE		
	Note	
1,834	Cleaning	1,850
604	Electricity	615
1,852	Gardening	1,638
1,134	Insurance (a)	1,833
552	Lift maintenance (b)	157
1,333	Managing Agent's fees (c)	980
-	Professional fees (d)	-
1,048	Repairs and maintenance (e)	1,866
375	Telephones in lifts	377
23	Fire Extinguishers	27
31	Water	22
43	Miscellaneous expenses	35
15	Companies Registry fees	15
400	Entryphone maintenance	-
1,080	Reserve Fund	1,350
		<hr/>
10,324		10,765
<hr/>		
206	SURPLUS /(DEFICIT) FOR THE PERIOD	485
<hr/>		

Notes

(a) Increase mainly due to 100% rise in buildings insurance premium following September 11 2001 and VCML's 2000/01 heavy claims record.

(b) Maintenance contractor refunded 67% of annual contract charge because of failure to carry out full number of maintenance visits; contractor has been replaced.

(c) Fees for 2001 included extra charge for managing repainting contracts.

(d) Accountancy and company secretary services are provided by two Directors without charge.

(e) Exceptional items in 2002 included improved security lighting (£485), marking boundaries and placing shingle at the main gate (£200), installing mowing strip by outer wall (£230) and new gate light (£90).

Company No: 03437642

REPORT AND FINANCIAL STATEMENTS

28 September 2002

VALENTINE COURT MANAGEMENT LIMITED

INDEX	Page
Directors and Officer	1
Report of the Directors	2
Profit and Loss Account	3
Statement of Movements on Reserves	3
Balance Sheet	4
Notes to the Accounts	5