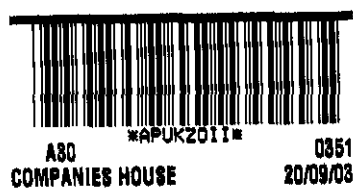


REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002  
FOR  
PRIORY GATE HILLINGDON  
MANAGEMENT COMPANY 2 LIMITED



**PRIORY GATE HILLINGDON MANAGEMENT COMPANY 2 LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2002**

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**PRIORY GATE HILLINGDON**  
**MANAGEMENT COMPANY 2 LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

**DIRECTORS:** Hertford Company Secretaries Limited  
Corporate Property Management Limited

**SECRETARY:** Hertford Company Secretaries Limited

**REGISTERED OFFICE:** Belcon House  
Essex Road  
Hoddesdon  
Hertfordshire  
EN11 0DR

**REGISTERED NUMBER:** 3994618 (England and Wales)

**AUDITORS:** Cook and Partners  
Chartered Accountants and Registered  
Auditors  
Manufactory House  
Bell Lane  
Hertford  
Hertfordshire SG14 1BP

**PRIORY GATE HILLINGDON**  
**MANAGEMENT COMPANY 2 LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the management and administration, on a non profit making basis of the communal areas relating to the development on behalf of the property owners, lessees or tenants.

**DIRECTORS**

The directors during the year under review were:

Hertford Company Secretaries Limited  
Corporate Property Management Limited

**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, Cook and 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:**

FOR AND ON BEHALF OF  
HERTFORD COMPANY SECRETARIALS LIMITED

*R. L. Noble*

R. L. NOBLE  
DIRECTOR

- DIRECTOR

Dated: 5.6.03

**PRIORY GATE HILLINGDON**  
**MANAGEMENT COMPANY 2 LIMITED**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**PRIORY GATE HILLINGDON**  
**MANAGEMENT COMPANY 2 LIMITED**

We have audited the financial statements of Priory Gate Hillingdon Management Company 2 Limited for the year ended 31 December 2002 on pages five to eight. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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.

**Fundamental uncertainty**

The Company has a deficiency of net assets at the balance sheet date. The accounts have been prepared on a going concern basis which assumes that the Company will enjoy the support of its creditors. Accordingly the adjustments, if any, required to restore the assets and liabilities were the going concern basis to be inappropriate, have not been incorporated in the accounts.

PRIORY GATE HILLINGDON  
MANAGEMENT COMPANY 2 LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PRIORY GATE HILLINGDON  
MANAGEMENT COMPANY 2 LIMITED

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Cook and Partners  
Chartered Accountants and Registered  
Auditors  
Manufactory House  
Bell Lane  
Hertford  
Hertfordshire SG14 1BP



Dated: 9.9.03

**PRIORY GATE HILLINGDON  
MANAGEMENT COMPANY 2 LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2002**

		<u>31.12.02</u>	<u>31.12.01</u>
	Notes	£	£
<b>TURNOVER</b>		5,770	3,092
Administrative expenses		<u>4,957</u>	<u>4,597</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>2</b>	<b>813</b>	<b>(1,505)</b>
Interest receivable and similar income		<u>-</u>	<u>3</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>813</b>	<b>(1,502)</b>
Tax on profit/(loss) on ordinary activities	<b>3</b>	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>813</b>	<b>(1,502)</b>
Deficit brought forward		<u>(1,502)</u>	<u>-</u>
<b>DEFICIT CARRIED FORWARD</b>		<u><u>£(689)</u></u>	<u><u>£(1,502)</u></u>

The notes form part of these financial statements

**PRIORY GATE HILLINGDON**  
**MANAGEMENT COMPANY 2 LIMITED**

**BALANCE SHEET**  
**31 DECEMBER 2002**

		<u>31.12.02</u>	<u>31.12.01</u>
	Notes	£	£
<b>CURRENT ASSETS:</b>			
Debtors	4	2,110	353
<b>CREDITORS:</b> Amounts falling due within one year	5	<u>2,799</u>	<u>1,855</u>
<b>NET CURRENT LIABILITIES:</b>		<u>(689)</u>	<u>(1,502)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		<u>£(689)</u>	<u>£(1,502)</u>
<b>RESERVES:</b>			
Profit and loss account		<u>(689)</u>	<u>(1,502)</u>
		<u>£(689)</u>	<u>£(1,502)</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 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**ON BEHALF OF THE BOARD:**

FOR AND ON BEHALF OF  
PRIORITY GATE HILLINGDON MANAGEMENT COMPANY 2 LIMITED

*R. L. Noble*

SILVIOLE  
DIRECTOR

- DIRECTOR

Approved by the Board on 5.6.03

The notes form part of these financial statements



**PRIORY GATE HILLINGDON**  
**MANAGEMENT COMPANY 2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

**2. OPERATING PROFIT/(LOSS)**

The operating profit (2001 - operating loss) is stated after charging:

	31.12.02	31.12.01
	£	£
Auditors' remuneration	180	174
	<u>          </u>	<u>          </u>
Directors' emoluments and other benefits etc	-	-
	<u>          </u>	<u>          </u>

**3. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2002 nor for the year ended 31 December 2001.

**4. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.12.02	31.12.01
	£	£
Maintenance Charges in Arrears	1,431	-
Funds Held By Managing Agents	201	57
Prepaid Expense: Insurance		
Premium	308	237
Prepaid Expense: Company		
Secretarial Fees	-	59
Sundry Debtors	71	-
Prepaid Expense: Agents Fees	99	-
	<u>          </u>	<u>          </u>
	2,110	353
	<u>          </u>	<u>          </u>

**PRIORY GATE HILLINGDON**  
**MANAGEMENT COMPANY 2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

5. **CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.12.02	31.12.01
	£	£
Accrued Expense: Managing Agents Fees	1,009	332
Accrued Expense: Audit, Accountancy & Professional Fees	840	411
Accrued Expense: Insurance Valuation Fee	323	323
Accrued Expense: General Cleaning and Maintenance	199	774
Accrued Expense: Sundry Expenses	15	15
Accrued Expense: Deferred Payment Charges	30	-
Accrued Expense: Company Secretarial Fees	66	-
Accrued Expense: Health & Safety Report	317	-
	<u>2,799</u>	<u>1,855</u>

**PRIORY GATE HILLINGDON**  
**MANAGEMENT COMPANY 2 LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

	31.12.02		31.12.01	
	£	£	£	£
<b>Income:</b>				
Maintenance Charges Receivable	5,770		-	
Voids Received	-		3,092	
Bank Interest Received Gross	-		3	
		5,770		3,095
<b>Expenditure:</b>				
Insurance Premiums	669		594	
General Cleaning, Maintenance and Repairs	2,017		2,084	
Company Secretarial Fees	125		193	
Health & Safety Report	317		-	
Managing Agents Fees	1,188		760	
Accountancy Charges	249		355	
Auditors Remuneration	180		174	
Bank Charges	120		23	
Sundry Expenses	92		91	
Insurance Valuation Fee	-		323	
		4,957		4,597
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		£813		£(1,502)
<b>2001 - EXPENDITURE OVER INCOME</b>				