REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

FOR

INTRACRELS (BEXHILL MANAGEMENT) LIMITED



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FOR THE YEAR ENDED 31 MARCH 2001

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INTRACRELS (BEXHILL MANAGEMENT) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2001

DIRECTORS:	G F Blyth G G Hirst D A McGarvey J M Page E J Roberts R H Ireland G B Minister
SECRETARY:	D A McGarvey
REGISTERED OFFICE:	28 Wilton Road Bexhill-on-Sea East Sussex TN40 1EZ
REGISTERED NUMBER:	694021 (England and Wales)
AUDITORS:	ASHDOWN HURREY Chartered Accountants Registered Auditor 28 Wilton Road Bexhill on Sea East Sussex TN40 1EZ

INTRACRELS (BEXHILL MANAGEMENT) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report with the financial statements of the company for the year ended 31 March 2001.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of continuing the management of the property known as Dalmore Court, Marina, Bexhill-on-sea

DIRECTORS
The directors during the year under review were:

G F Blyth
G G Hirst
D A McGarvey
J M Page
E J Roberts
R H Ireland
G B Minister

The beneficial interests of the directors holding office on 31 March 2001 in the issued share capital of the company were as follows:

	31.3.01	1.4.00
'A' Ordinary £1 shares		
G F Blyth	3	3
G G Hirst	-	-
D A McGarvey	-	-
J M Page	-	-
E J Roberts	-	-
R H Ireland	-	-
G B Minister	-	-
'B' Ordinary £1 shares		
G F Blyth	30	30
G G Hirst	30	30
D A McGarvey	30	30
J M Page	30	-
E J Roberts	30	30
R H Ireland	30	30
G B Minister	30	30

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.

INTRACRELS (BEXHILL MANAGEMENT) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2001

AUDITORS
The auditors, ASHDOWN HURREY, 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:

D A McGarvey - SECRETARY

Dated: 22-07-01

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF INTRACRELS (BEXHILL MANAGEMENT) LIMITED

We have audited the financial statements of Intracrels (Bexhill Management) Limited for the year ended 31 March 2001 on pages five to eight. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

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 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

ASHDOWN HURREY
Chartered Accountants
Registered Auditor
28 Wilton Road
Bexhill on Sea
East Sussex
TN40 1EZ

Dated: 22 July 2001

INTRACRELS (BEXHILL MANAGEMENT) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	2001 £	2000 £	2000 £
TURNOVER			12,460		25,045
Administrative expenses			12,103		24,918
OPERATING PROFIT	2		357		127
Income from investments		58		208	
Interest receivable and similar income		107		399	
			165		607
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			522		734
Tax on profit on ordinary activities	3		17		64
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			505		670
Retained profit brought forward			2,611		1,941
RETAINED PROFIT CARRIED FORWARD			£3,116		£2,611

The notes form part of these financial statements

INTRACRELS (BEXHILL MANAGEMENT) LIMITED

BALANCE SHEET
31 MARCH 2001

	Notes	2001 £	2000 £
CURRENT ASSETS:			
Debtors	4	1,518	2,169
Cash at bank		17,088	2,810
		18,606	4,979
CREDITORS: Amounts falling due within one year	5	14,707	1,585
NET CURRENT ASSETS:		3,899	3,394
TOTAL ASSETS LESS CURRENT LIABILITIES:		£3,899	£3,394
CAPITAL AND RESERVES:			
Called up share capital	6	783	783
Profit and loss account		3,116	2,611
SHAREHOLDERS' FUNDS:		£3,899	£3,394

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 March 2000).

ON BEHALF OF THE BOARD:

- DIRECTOR

- DIRECTOR

Approved by the Board on 22-07-01

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

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 March 2000).

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

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2001 £	2000 £
Auditors' remuneration	652	652
Directors' emoluments and other benefits etc	-	-

3. TAXATION

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

	2001 £	2000 £
UK corporation tax	17	64

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Other debtors : maintenance in arrears	476	1,465
Prepayments	1,042	704
	1,518	2,169

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank loans and overdrafts	26	-
Other creditors : maintenance in advance	13,989	873
Accrued expenses	692	712
	14,707	1,585

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

6. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2001 £	2000 £
220	'A' Ordinary	£1	220	220
780	'B' Ordinary	£1	780	780
			1,000	1,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001 £	2000 £
3	'A' Ordinary	£1	3	3
780	'B' Ordinary	£1	780	780
			783	783

7. RELATED PARTY DISCLOSURES

The company is controlled by its directors who contribute to, and benefit from, the maintenance of the freehold property on the same basis as the other lessees.

8. RELATIONSHIP BETWEEN THE COMPANY AND THE LEASEHOLDERS OF DALMORE COURT

The company has been advised by its solicitors that the original leases did not provide for maintenance to be collected in advance. In 1995 a Deed of Covenant was prepared for each leaseholder to allow for this arrangement, the amount to be agreed at each Annual General Meeting.

To date, 25 out of the 26 leaseholders have signed Deeds of Covenant and therefore turnover in the accounts continues to be based on actual expenditure.