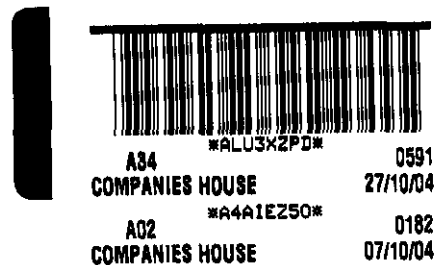


Registration number 1719721 (England & Wales)

Harberton Management Company Limited

Directors' Report and Financial Statements

For The Year Ended 31 January 2004



Harberton Management Company Limited

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Harberton Management Company Limited

Company Information

Directors	Mrs C Gainsborough B S Beale C A Bowers
Secretary	Mrs L S Hernandez
Company number	1719721 (England & Wales)
Registered office	Hilltop 13 Bon Accord Road SWANAGE BH19 2DN
Auditors	<i>Harding Redmans</i> Chartered Accountants & Registered Auditors Bridge House Court Road SWANAGE BH19 1DX
Bankers	National Westminster Bank plc 2 Institute Road SWANAGE BH19 1BX
Solicitors	Neville-Jones & Co 52/54 Station Road SWANAGE BH19 1AF

Harberton Management Company Limited

Directors' Report
For The Year Ended 31 January 2004

The directors present their report and the financial statements for the year ended 31 January 2004.

Activities

The sole activity of the Company during the year has been the management of the block of flats known as Harberton, 3 Rempstone Road, Swanage, Dorset. The development of the Company during the year has been, and continues to be, satisfactory.

Results

The results for the year are set out in detail on page 4. The directors do not recommend the payment of a dividend.

Assets

The Company owns the Freehold Reversion of the property known as Harberton, 3 Rempstone Road, Swanage, Dorset purchased for a principal sum of £4800. Each flat owner has contributed £500 as their share of this cost and related legal expenses.

Directors

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/01/04	01/02/03
Mrs C Gainsborough	1	1
B S Beale	1	1
S M McCrory (resigned 7.5.03)	-	1
C A Bowers (appointed 7.5.03)	1	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

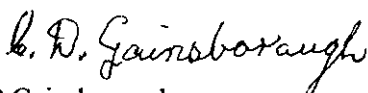
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that HardingRedmans be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 31 March 2004 and signed on its behalf by



C D Gainsborough
Director

Harberton Management Company Limited

Auditors' Report To The Shareholders Of Harberton Management Company Limited

We have audited the financial statements of Harberton Management Company Limited for the year ended 31 January 2004 which comprise the general maintenance account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 in the statement of directors' responsibilities the company's directors are responsible for the preparation of the 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 directors' report 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 directors' report 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 January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Bridge House
Court Road
SWANAGE
31 March 2004**


Harding Redmans
Chartered Accountants
Registered Auditors

Harberton Management Company Limited

General Maintenance Account For The Year Ended 31 January 2004

	<u>2004</u>	<u>2003</u>
Maintenance Fees	7,200	7,200
Building Society Interest (Gross)	252	244
Less Tax	85	83
	<u>167</u>	<u>161</u>
	7,367	7,361
<u>Less Expenses</u>		
Building Insurance	1,156	995
Officers Insurance	126	-
Electricity	107	104
Roof Repairs	-	1,736
Exterior Painting and Repairs	-	1,108
Door Entry System	635	-
Pigeon Proofing	490	-
Television Aerial Upgrade	240	-
Repairs	248	163
Carpets	934	570
Smoke Detectors	-	214
Cleaning	370	295
Garden	806	824
Printing, Postage and Stationery	27	18
Sundry Expenses	26	25
Accountancy and Audit	282	270
Management Fees	840	780
Legal and Professional Fees	59	53
	<u>6,346</u>	<u>7,155</u>
<u>Surplus For Year</u>	<u><u>1,021</u></u>	<u><u>206</u></u>

The notes on pages 5 to 6 form an integral part of these financial statements.

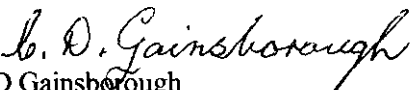
Harberton Management Company Limited

Balance Sheet
As At 31 January 2004

		<u>2004</u>	<u>2003</u>
	<u>Notes</u>		
<u>Fixed Assets</u>			
Freehold Reversion: 3 Rempstone Road, Swanage			
At Cost (December 1992)		4,800	4,800
Less Shareholder Contributions		4,800	4,800
		-	-
<u>Current Assets</u>			
Debtors and Prepayments		1,422	1,906
Cash at Building Society		9,927	7,931
Cash at Bank		832	1,067
		12,181	10,904
<u>Creditors: Amounts Falling</u>			
<u>Due Within One Year</u>	3	(2,022)	(1,767)
		10,159	9,137
<u>Capital and Reserves</u>			
Called up Share Capital	4	12	12
<u>Maintenance Reserves</u>			
General	5	5,218	6,596
Painting	5	1,329	129
Roof	5	3,600	2,400
<u>Shareholders' Funds</u>		10,159	9,137

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 31 March 2004 and signed on its behalf by


C D Gainsborough
Director

The notes on pages 5 to 6 form an integral part of these financial statements.

Harberton Management Company Limited

Notes to The Financial Statements
For The Year Ended 31 January 2004

1. Accounting Policies

Accounting Convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

Taxation

As the purpose of the Company is non-trading, there is no taxation, apart from Building Society Interest, which is subject to tax at the rate applicable to trusts.

2. Operating Surplus

Operating surplus is stated after charging:

Auditors' remuneration

	<u>2004</u>	<u>2003</u>
Auditors' remuneration	<u>141</u>	<u>135</u>

3. Creditors: Amounts Falling Due Within One Year

Income Received in Advance

Accruals

Taxation

	<u>2004</u>	<u>2003</u>
Income Received in Advance	1,200	1,200
Accruals	787	533
Taxation	35	34
	<u>2,022</u>	<u>1,767</u>

4. Share Capital

Allotted, Called up and Fully Paid

12 Ordinary Shares of £1 each

	<u>2004</u>	<u>2003</u>
12 Ordinary Shares of £1 each	<u>12</u>	<u>12</u>

Harberton Management Company Limited

Notes to The Financial Statements
For The Year Ended 31 January 2004

5. <u>Maintenance Reserves</u>	<u>General Reserve</u>	<u>Painting Reserve</u>	<u>Roof Reserve</u>
At 1 February 2003	6,597	129	2,400
Transfers	(2,400)	1,200	1,200
Surplus for Year	1,021		
At 31 January 2004	<u>5,218</u>	<u>1,329</u>	<u>3,600</u>