Co. Reg. No. 2744021.

BRIAN EDGERTON

CHARTERED ACCOUNTANTS

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 JUNE 2003

FOR

PRESTON GRANGE (BRIGHTON) LTD

AZ8AJOU8
A47 0589
COMPANIES HOUSE 02/10/03

FLAT 1, 7 CHESHAM PLACE, KEMPTOWN, BRIGHTON, SUSSEX BN2 1FB
TEL: 01273 674955 FAX: 01273 673367
EMAIL: brian.edgerton@virgin.net

Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

PRESTON GRANGE (BRIGHTON) LTD

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 JUNE 2003

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	6

PRESTON GRANGE (BRIGHTON) LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 24 JUNE 2003

DIRECTORS:	D RIGGS B GLYNN P TAYLOR M TIERNAN L BALMAR R STOBART
SECRETARY:	D RIGGS
REGISTERED OFFICE:	12a Marlborough Place Brighton East Sussex BN1 1WM
REGISTERED NUMBER:	2744021 (England and Wales)
ACCOUNTANTS:	BRIAN EDGERTON CHARTERED ACCOUNTANTS Flat 1 7 Chesham Place Brighton East Sussex BN2 1FB
SOLICITORS:	Farrington Webb 12a Marlborough Place Brighton East Sussex BN1 1WM

PRESTON GRANGE (BRIGHTON) LTD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 24 JUNE 2003

The directors present their report with the financial statements of the company for the year ended 24 June 2003.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of Freeholder.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements.

When the 2002 Financial Statements were presented to the members forty five out of forty six leaseholders were or were committed to become shareholders and therefore it was proposed and adopted that the balance on the company's profit and loss account be transferred to the Flat Maintenance Account. As a result the future company's Financial Statements will show all details of the Flat Maintenance Account and the company had sufficent resources to commence the programme for the replacement of the two lifts in 2003. The work to replace the first lift started in June 2003 and the total cost of this is included in the 2003 Financial Statements. The comparative figures reflect these changes.

DIRECTORS
The directors during the year under review were:

D RIGGS	
A WATHEN	- resigned 28/6/02
B GLYNN	
P TAYLOR	
M TIERNAN	
L BALMAR	- appointed 14/11/02
R STOBART	- appointed 14/11/02

The beneficial interests of the directors holding office on 24 June 2003 in the issued share capital of the company were as follows:

ORDINARY £1000 shares	**24.6.03**	**25.6.02 or date of appointment if later**
D RIGGS	2	2
B GLYNN	1	1
P TAYLOR	1	1
M TIERNAN	1	1
L BALMAR	1	1
R STOBART	1	1

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 RIGGS - SECRETARY

Dated: 28 August 2003

PRESTON GRANGE (BRIGHTON) LTD

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 24 JUNE 2003

	Notes	2003 £	2002 £
TURNOVER		86,640	43,527
Administrative expenses		(95,387)	(51,443)
		(8,747)	(7,916)
Other operating income		6,502	6,644
OPERATING LOSS	2	(2,245)	(1,272)
Interest receivable and similar income		2,240	1,852
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(5)	580
Tax on (loss)/profit on ordinary activities	3	5	(580)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		-	-
RETAINED PROFIT CARRIED FORWARD		-	-

The notes form part of these financial statements

PRESTON GRANGE (BRIGHTON) LTD

BALANCE SHEET
24 JUNE 2003

	Notes	2003 £	2002 £
FIXED ASSETS:			
Tangible assets	4	42,981	45,971
CURRENT ASSETS:			
Debtors	5	132,749	103,001
Cash at bank and in hand		36,556	26,718
		169,305	129,719
CREDITORS: Amounts falling due within one year	6	(167,286)	(132,690)
NET CURRENT ASSETS/(LIABILITIES):		2,019	(2,971)
TOTAL ASSETS LESS CURRENT LIABILITIES:		£45,000	£43,000
CAPITAL AND RESERVES:			
Called up share capital	7	45,000	43,000
SHAREHOLDERS' FUNDS:		£45,000	£43,000

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 24 June 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 24 June 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

PRESTON GRANGE (BRIGHTON) LTD

BALANCE SHEET
24 JUNE 2003

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:

B GLYNN - DIRECTOR

D RIGGS - DIRECTOR

Approved by the Board on 28 August 2003

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 JUNE 2003

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 rents receivable from third parties and contributions by leaseholders for the maintenance and improvements to the flats, garages and other areas included in the Freehold.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 25% on cost

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. OPERATING LOSS

The operating loss is stated after charging:

	2003	2002
	£	£
Depreciation - owned assets	2,990	3,182
Directors' emoluments and other benefits etc	-	-

3. TAXATION

Analysis of the tax (credit)/charge
The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK corporation tax	(5)	580
Tax on (loss)/profit on ordinary activities	(5)	580

UK corporation tax was charged at 7.70% in 2002.

No provision for Corporation Tax has been provided for the year ended 24 June 2003 on rentals and interest receivable from outside sources as they do not exceed £10000. It has been agreed with H M Inspector of Taxes that there is no corporation tax liability on company profits arising from mutual trading.

4. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Totals
	£	£	£
COST:			
At 25 June 2002	43,007	12,157	55,164
Disposals	-	(3,430)	(3,430)
At 24 June 2003	43,007	8,727	51,734
DEPRECIATION:			
At 25 June 2002	3,441	5,752	9,193
Charge for year	860	2,130	2,990
Eliminated on disposals	-	(3,430)	(3,430)
At 24 June 2003	4,301	4,452	8,753
NET BOOK VALUE:			
At 24 June 2003	38,706	4,275	42,981
At 24 June 2002	39,566	6,405	45,971

It has been decided to provide for depreciation of the Freehold Property at 2% per annum from 25 June 1998 following the publication of the Financial Reporting Standard relating to Tangible Fixed Assets.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade debtors	372	239
Funds with Managing Agents	132,377	102,762
	132,749	103,001

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade creditors	2,380	-
New lift	42,359	-
Advance Flat Maintenance Fees	41,000	11,765
Flats Maintenance Fund	68,849	109,068
Garages Maintenance Fund	8,549	8,413
Taxation	-	512
Accrued expenses	4,149	2,932
	167,286	132,690

7. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2003 £	2002 £
50	ORDINARY	£1000	50,000	50,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
45 (2002 - 43)	ORDINARY	£1000	45,000	43,000

The following shares were allotted and fully paid for cash at par during the year:

2 ORDINARY shares of £1000 each