

THE GROVE FLAT MANAGEMENT COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE
NOT HAVING A SHARE CAPITAL)

FINANCIAL STATEMENTS

AS AT

30th JUNE 2002



HOWARD WADE & JACOB
Chartered Accountants
197-205 High Street
Ponders End Enfield
Middlesex EN3 4DZ

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THE GROVE FLAT MANAGEMENT COMPANY LIMITED

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DIRECTORS OFFICERS AND ADVISERS

Director

B. Swies
G. Marco
R. Dimmock
S. Bookatz

Secretary

R. P. Davies

Registered Office

197-205 High Street
Ponders End
Enfield
Middlesex
EN3 4DZ

Date of Incorporation

6th May 1997

Registration Number

3365949

Auditors

Howard Wade & Jacob
Chartered Accountants
197-205 High Street
Ponders End
Enfield
Middlesex EN3 4DZ

Managing Agents

Ian Gibbs F.R.I.C.S.
51 Windmill Hill
Enfield
Middlesex EN2 7AE

THE GROVE FLAT MANAGEMENT COMPANY LIMITED

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REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report to the members of the company together with the Accounts for the year ended 30th June 2002.

PRINCIPAL ACTIVITY

The Company's principal activity is that of managing property, comprising of 45 flats situated at 1 - 9 Ellery House and 1 - 36 Harper Close, The Grove, Chase Road, Oakwood, London N14.

RESULTS

There is neither a profit nor a loss arising during the year through the management of premises. The costs are shown on page 5 of these Accounts.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year were as follows:

B. Swies
B. Pettit (resigned 9th November 2001)
G. Marco
R. Dimmock
S. Bookatz (appointed 4th December 2001)

AUDITORS

Messrs Howard Wade and Jacob have been appointed as the auditors and have expressed their willingness to continue in office. A proposal for their re-appointment will be made at the next Annual General Meeting.

TAXATION STATUS

The Company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

SPECIAL EXEMPTIONS

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

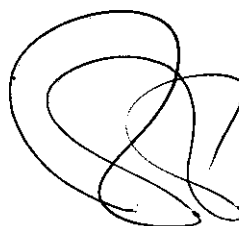
RESPONSIBILITIES OF THE DIRECTORS

These are set out on page 3 together with any observations thereon.

BY ORDER OF THE BOARD

29th August 2002
Registered Office
197-205 High Street
Ponders End
Enfield
Middlesex EN3 4DZ

R. P. Davies
Secretary



THE GROVE FLAT MANAGEMENT COMPANY LIMITED

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STATEMENT OF DIRECTORS RESPONSIBILITIES

ATTACHED TO FINANCIAL STATEMENTS

PREPARED FOR THE YEAR ENDED 30th JUNE 2002

Company law requires the directors to prepare statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to

- * select suitable 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.

THE GROVE FLAT MANAGEMENT COMPANY LIMITED

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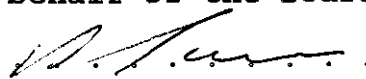
BALANCE SHEETAS AT 30th JUNE 2002

	Notes	£	2002	£	£	2001	£
CURRENT ASSETS							
Prepayments	1b, 4)	4,036			2,225		
Bank Deposit Account		23,303			22,300		
Cash at Bank		8,709			(380)		
		<u>36,048</u>			<u>24,145</u>		
CREDITORS due within one year							
Creditors	5)	9,331			4,560		
		<u>9,331</u>			<u>4,560</u>		
NET CURRENT ASSETS			26,717			19,585	
			<u>£ 26,717</u>			<u>£ 19,585</u>	
Financed by:							
MEMBERS FUNDS							
Decorations Reserve		15,917			11,485		
Lift Reserve		8,100			5,400		
General Reserve		2,700			2,700		
		<u>£ 26,717</u>			<u>£ 19,585</u>		

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

The notes on pages 6 and 7 form an integral part of these Accounts

Signed on behalf of the Board

)
 B. Swies) Directors
)
 R. Dimmock)

Approved 29th August 2002

THE GROVE FLAT MANAGEMENT COMPANY LIMITED

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INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30th JUNE 2002

	Notes	2002	2001
		£	£
COSTS RECOVERABLE FROM LESSEES		47,661	44,473
OTHER INCOME			
Decorations Cost -			
Developers Contribution		-	2,500
Bank Deposit Interest Received		136	209
		<u>47,797</u>	<u>47,182</u>
MANAGEMENT EXPENSES			
Annual Return Fee	15		15
Auditor's Remuneration	1,192		1,135
Bank Charges	144		144
Cleaning	3,600		4,354
Company Administration	-		169
Decorations - External	6,818		9,015
Directors' Indemnity Insurance	711		299
Electricity - Communal	1,759		1,540
Entryphone			
Rental/Maintenance	-		120
Gardening	4,420		4,420
Insurance - Buildings	7,294		6,707
Lift Maintenance	106		-
Lift Telephone Rental	621		378
Managing Agent's Fee	4,800		4,560
Paladin Bin Hire	87		97
Repairs and Maintenance	932		2,432
Room Hire for AGM	50		25
Stationery, Postage, Telephone & Printing	130		125
Water Rates	5,466		4,171
Window Cleaning	2,520		2,291
	<u>40,665</u>	<u>40,665</u>	<u>41,997</u>
SURPLUS FOR THE YEAR		<u>7,132</u>	<u>5,185</u>
TRANSFER TO / (FROM)			
RESERVES		£ 7,132	£ 5,185

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the results set out above.

The notes on pages 6 and 7 form an integral part of these Accounts

THE GROVE FLAT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2002

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 1985.

b) Debtors

Specific provisions are made for bad and doubtful debts.

c) Management Expenses

These expenses are recoverable from the Lessees according to the relevant number of forty five parts indicated in their Leases, with the exception of Insurance and Water rates which are allocated on a block by block basis.

	2002	2001
2. <u>NET OPERATING INCOME</u>		
is stated after charging:		
Auditor's Remuneration	1,192	1,135
	<u>£ 1,192</u>	<u>£ 1,135</u>

3. TAXATION

In view of the nature of the Company's activities no provision has been made within these financial statements for Corporation Tax.

THE GROVE FLAT MANAGEMENT COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2002

	2002	2001
4. PREPAYMENTS		
Sundry Prepayments	4,036	2,225
	<u>£ 4,036</u>	<u>£ 2,225</u>
5. CREDITORS due within one year		
Amounts due to Lessees	2,872	280
Sundry Creditors	6,459	4,280
	<u>£ 9,331</u>	<u>£ 4,560</u>
6. RESERVES		
Decorations Reserve brought forward	11,485	9,000
Transfer for Year	4,432	2,485
	<u>£ 15,917</u>	<u>£ 11,485</u>
Lift Reserve brought forward	5,400	2,700
Transfer for Year	2,700	2,700
	<u>£ 8,100</u>	<u>£ 5,400</u>
General Reserve brought forward	2,700	2,700
	<u>£ 2,700</u>	<u>£ 2,700</u>

7. GUARANTEE

Each Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the Company's debts and liabilities contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

8. POST BALANCE SHEET EVENTS

In the opinion of the Directors there are no material post balance sheet events to be reported within these financial statements.

INDEPENDENT AUDITORS REPORT**TO THE MEMBERS OF****THE GROVE FLAT MANAGEMENT COMPANY LIMITED****(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE CAPITAL)**

We have audited the financial statements of The Grove Flat Management Company Limited for the year ended 30th June 2002 which comprise Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 considered the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

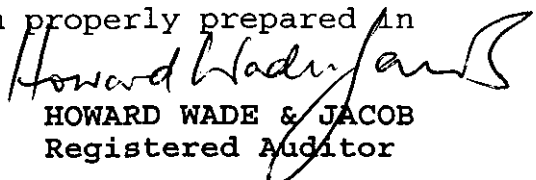
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 company's affairs as at 30th June 2002 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

197-205 High Street
Ponders End
Enfield
Middlesex EN3 4DZ


HOWARD WADE & JACOB
Registered Auditor

29th August 2002