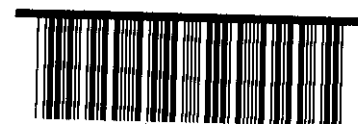


REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000
FOR
CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

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CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2000

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CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2000

DIRECTORS: T L Rood {Res 26.1.01}
B H O'Neill {Res 25.4.01}
K Sobczyk {App 25.4.01}
A M Greenfield {App 25.4.01} {Res. 31.7.01}
A M Partington {App 25.4.01}
F Swan {App 25.4.01}

SECRETARY: Hertford Company Secretaries Limited

REGISTERED OFFICE: Persimmon House
Brooklands Business Park
Weybridge
Surrey
KT13 0YP

REGISTERED NUMBER: 3399921 (England and Wales)

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

CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those 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:

T L Rood {Res 26.1.01}	K Sobczyk {App 25.4.01}
B H O'Neill {Res 25.4.01}	A M Greenfield {App 25.4.01} {Res. 31.7.01}
	A M Partington {App 25.4.01}
	F Swan {App 25.4.01}

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:

R. L. Wall
.....
- DIRECTOR

Dated: 25.10.01

CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF
CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

We have audited the financial statements on pages four to seven which 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 on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Cook and Partners

Cook and Partners
Chartered Accountants and Registered
Auditors,
Manufactory House,
Bell Lane,
Hertford,
Hertfordshire,

SG14 1BP

Dated: 30/10/01

CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

		31.12.00	31.12.99
	Notes	£	£
TURNOVER		28,913	18,461
Administrative expenses		23,331	10,412
OPERATING PROFIT	2	5,582	8,049
Interest receivable and similar income		142	11
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,724	8,060
Tax on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		5,724	8,060
Retained profit/(deficit) brought forward		6,204	(1,856)
RETAINED PROFIT CARRIED FORWARD		£11,928	£6,204

The notes form part of these financial statements

**CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED**

**BALANCE SHEET
31 DECEMBER 2000**

		<u>31.12.00</u>	<u>31.12.99</u>
	Notes	£	£
CURRENT ASSETS:			
Debtors	4	16,880	14,711
CREDITORS: Amounts falling due within one year	5	<u>4,952</u>	<u>8,507</u>
NET CURRENT ASSETS:		<u>11,928</u>	<u>6,204</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£11,928</u>	<u>£6,204</u>
RESERVES:			
Profit and loss account		<u>11,928</u>	<u>6,204</u>
		<u>£11,928</u>	<u>£6,204</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 March 2000).

ON BEHALF OF THE BOARD:



.....
- DIRECTOR

Approved by the Board on 22/10/01.....

The notes form part of these financial statements

CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

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:

	31.12.00	31.12.99
	£	£
Auditors' remuneration	336	333
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2000 nor for the year ended 31 December 1999.

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

	31.12.00	31.12.99
	£	£
Maintenance Charges in Arrears	7,200	4,134
Funds Held By Managing Agents	5,540	-
Prepaid Expense: Insurance		
Premium	449	425
Prepaid Expense: Company		
Secretarial Fees	132	-
Sundry Debtors	3,559	10,152
	<u> </u>	<u> </u>
	16,880	14,711
	<u> </u>	<u> </u>

CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

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

	31.12.00	31.12.99
	£	£
Maintenance Charges in Advance	609	417
Funds Owed to Managing Agents	-	1,619
Accrued Expense: Managing Agents Fees	566	2,656
Accrued Expense: Audit, Accountancy & Professional Fees	933	924
Accrued Expense: General Cleaning and Maintenance	2,443	2,794
Accrued Expense: Sundry Expenses	295	-
Accrued Expense: Deferred Payment Charges	106	53
Accrued Expense: Company Secretarial Fees	-	44
	<u>4,952</u>	<u>8,507</u>

CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	31.12.00		31.12.99	
	£	£	£	£
Income:				
Maintenance Charges Receivable	28,913		12,087	
Completion Money Received	-		6,081	
Adjustment to Arrears	-		293	
Bank Interest Received Gross	142		11	
		29,055		18,472
Expenditure:				
Insurance Premiums	1,054		859	
General Cleaning, Maintenance and Repairs	8,251		5,285	
Company Secretarial Fees	176		176	
Health & Safety Report	934		-	
Managing Agents Fees	4,872		3,047	
Accountancy Charges	434		429	
Auditors Remuneration	336		333	
Bank Charges	266		130	
Sundry Expenses	338		153	
Insurance Valuation Fee	295		-	
Gate Maintenance	383		-	
Water Feature Maintenance	5,992		-	
		23,331		10,412
EXCESS OF INCOME OVER EXPENDITURE		£5,724		£8,060

CANADA WATERS ESTATE MANAGEMENT COMPANY LIMITED

REPORT OF THE AUDITORS TO
THE MEMBERS OF CANADA WATERS ESTATE MANAGEMENT COMPANY LIMITED

We have examined the schedule on page 8 as required by the Landlord & Tenant Act 1985 as amended by the Landlord & Tenant Act 1987.

Respective responsibilities of landlord and auditors

The Landlord is responsible for preparing schedules of relevant costs in relation to service charges if requested to do so by a tenant or secretary of a recognized tenant's association. It is our responsibility to form an opinion whether these schedules are a fair summary complying with the requirements of Section 21(5) of the Landlord & Tenant Act 1985 (as amended by the Landlord & Tenant Act 1987) and are sufficiently supported by accounts, receipts and other documents produced to us.

Opinion

In our opinion, these schedules are a fair summary complying with the requirements of Section 21(5) of the Landlord & Tenant Act 1985 (as amended by the Landlord & Tenant Act 1987) and are sufficiently supported by accounts, receipts and other documents produced to us.

Cook and Partners

Cook and Partners
Chartered Accountants,
Manufactory House,
Bell Lane,
Hertford,
Hertfordshire.

Dated: 30/10/01