REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

FOR

CANADA WATERS ESTATE
MANAGEMENT COMPANY LIMITED



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CANADA WATERS ESTATE MANAGEMENT COMPANY LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Income and Expenditure Account	8

CANADA WATERS ESTATE MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2002

DIRECTORS:	K Sobczyk A Koura F Swan T J Crane A M Partington Mrs F M Colley Ms J A Goubert Mr. J. HAYWARD Mrs S HAYWARD.
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 2002

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

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:

K Sobczyk
A Koura – resigned 13/2/02
F Swan
T J Crane
A M Partington
Mrs F M Culley
Ms J A Goubert - appointed 16.10.02
J HAYWARD
MRS S. HAYWARD

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:

X A Partington
- DIRECTOR

Dated: 22 September 2003

CANADA WATERS ESTATE MANAGEMENT COMPANY LIMITED

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

We have audited the financial statements of Canada Waters Estate Management Company Limited for the year ended 31 December 2002 on pages four to seven. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members 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 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 December 2002 and of its loss 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: 5/10/03

CANADA WATERS ESTATE MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	31.12.02 £	31.12.01 £
TURNOVER		37,926	30,992
Administrative expenses		45,564	28,276
OPERATING (LOSS)/PROFIT	2	(7,638)	2,716
Interest receivable and similar income		467	311
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,171)	3,027
Tax on (loss)/profit on ordinary activities	3	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(7,171)	3,027
Retained profit brought forward		14,955	11,928
RETAINED PROFIT CARRIED FORWARD		£7,784	£14,955

The notes form part of these financial statements

CANADA WATERS ESTATE MANAGEMENT COMPANY LIMITED

BALANCE SHEET 31 DECEMBER 2002

	Notes	31.12.02 £	31.12.01 £
CURRENT ASSETS:			
Debtors	4	16,676	21,029
CREDITORS: Amounts falling due within one year	5	8,892	6,074
NET CURRENT ASSETS:		7,784	14,955
TOTAL ASSETS LESS CURRENT LIABILITIES:		£7,784	£14,955
RESERVES:			
Profit and loss account		7,784	14,955
		£7,784	£14,955

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:

X M Tarrington
- DIRECTOR

Approved by the Board on 17 July 2003

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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 net invoiced sales of services, excluding value added tax.

2. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging:

	31.12.02 £	31.12.01 £
Auditors' remuneration	361	348
Directors' emoluments and other benefits etc	-	-

3. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2002 nor for the year ended 31 December 2001.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.02 £	31.12.01 £
Maintenance Charges in Arrears	1,905	894
Funds Held By Managing Agents	12,714	18,297
Prepaid Expense: Insurance Premium	731	717
Prepaid Expense: Company Secretarial Fees	88	88
Sundry Debtors	123	123
Prepaid Expense: Agents Fees	1,115	910
	16,676	21,029

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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

	31.12.02	31.12.01
	£	£
Maintenance Charges in Advance	883	1,064
Accrued Expense: Managing Agents Fees	213	1,213
Accrued Expense: Audit, Accountancy & Professional Fees	831	796
Accrued Expense: Gate Maintenance	229	800
Accrued Expense: General Cleaning and Maintenance	4,330	1,805
Accrued Expense: Deferred Payment Charges	342	273
Accrued Expense: Bank Charges	141	-
Sundry Creditors	1,776	-
Accrued Expense: Legal & Debt Collection Fees	147	123
	8,892	6,074

CANADA WATERS ESTATE MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	31.12.02		31.12.01	
	£	£	£	£
Income:				
Maintenance Charges Receivable	37,960		30,992	
Adjustment to Arrears	(34)		-	
Bank Interest Received Gross	467		311	
		38,393		31,303
Expenditure:				
Insurance Premiums	1,560		1,230	
General Cleaning, Maintenance and Repairs	14,995		9,350	
Company Secretarial Fees	117		105	
Supply of Shrubs	1,293		-	
Site Plan	653		-	
Managing Agents Fees	6,691		6,109	
Accountancy Charges	470		448	
Auditors Remuneration	361		348	
Bank Charges	345		231	
Sundry Expenses	400		794	
Gate Maintenance	10,378		2,405	
Water Feature Maintenance	8,301		7,256	
		45,564		28,276
EXCESS OF EXPENDITURE OVER INCOME 2001 - INCOME OVER EXPENDITURE		£(7,171)		£3,027