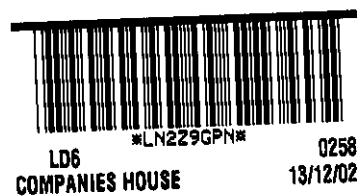


LEADMILL RESIDENTS COMPANY LIMITED

**REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2002**



S H LANDES & CO

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

Company number: 4310121

LEADMILL RESIDENTS COMPANY LIMITED

**FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2002**

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LEADMILL RESIDENTS COMPANY LIMITED

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REPORT OF THE DIRECTOR

The director presents its report and the audited accounts of the company for the period ended 31 March 2002.

The company's principal activity during the period was property and estate management. The company's director is satisfied with the results for the period and at the period end.

The company was incorporated on 24 October 2001.

RESULTS AND DIVIDENDS

The company's profit for the financial period is £nil. No dividend is to be paid.

DIRECTOR AND ITS INTERESTS

The director who held office during the period is given below:

Annington Nominees Limited

The director held a non-beneficial interest of 1 "A" share in the company.

The director held a non-beneficial interest in a number of other site management companies. Details of these interests are disclosed in the individual entity's accounts.

DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with the Companies Act 1985. It is 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.

LEADMILL RESIDENTS COMPANY LIMITED**REPORT OF THE DIRECTOR
(continued)****AUDITORS**

The auditors, S H Landes & Co, will be proposed for re-appointment in accordance with S.385 of the Companies Act 1985.

BY ORDER OF THE BOARD



For and on behalf of Greenhart Estate Management Limited

Date: 21 November 2002

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
LEADMILL RESIDENTS COMPANY LIMITED

We have audited the financial statements of Leadmill Residents Company Limited for the period ended 31 March 2002 which comprise the 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
LEADMILL RESIDENTS COMPANY LIMITED
(continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

S H LANDES & CO
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS

5th Floor, Walmar House
288 Regent Street
London
W1B 3AL

SH Landes

Date: 21 November 2002

LEADMILL RESIDENTS COMPANY LIMITED

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**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2002**

	Notes	2002 £
Service charge income	2	7,386
Service charge expenses		2,499
Gross profit		----- 4,887
Other operating expenses		-
Operating profit	3	----- 4,887
Interest receivable and similar income		-
Transfer to repairs reserve	8	(4,887)
Profit on ordinary activities before taxation		----- -
Tax on profit on ordinary activities	4	-
Profit for the financial period		----- -
Dividends	5	-
Profit for the financial period and retained		----- ----- =

All income was derived from within the United Kingdom from continuing operations. No operations were discontinued during the period.

Statement of Total Recognised Gains and Losses for the period ended 31 March 2002

There are no other recognised gains or losses other than the profit for the period.

Notes of Historical Cost Profits and Losses for the period ended 31 March 2002

There is no difference between the reported profits for the period as stated above and those that would be reported under the historical cost basis.

The notes on the attached pages form part of these financial statements.

LEADMILL RESIDENTS COMPANY LIMITED

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BALANCE SHEET AT 31 MARCH 2002

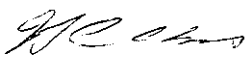
	Notes	2002	
		£	£
CURRENT ASSETS			
Debtors due within one year	6	3,226	
Cash at bank and in hand		5,396	

		8,622	
CREDITORS: amounts falling due within one year	7	(3,680)	

NET CURRENT ASSETS			4,942
NET ASSETS			-----
			4,942
			=====
CAPITAL AND RESERVES			
Called up share capital	9		55
Profit and loss account			-
Repairs reserve	8		4,887

SHAREHOLDERS' FUNDS - EQUITY	10		4,942
			=====

APPROVED BY THE BOARD


For and on behalf of Annington Nominees Limited
Director

Date: 21 November 2002

The notes on the attached pages form part of these financial statements

LEADMILL RESIDENTS COMPANY LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2002**

1. ACCOUNTING POLICIES

These financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

2. SERVICE CHARGE INCOME

Service charges recoverable - income from the residents/tenants that is recoverable under the terms of their purchase agreement/lease is accounted for on an accruals basis.

3. OPERATING PROFIT

	2002
	£
This is stated after charging:	
Auditors' remuneration	587
	<u>=====</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002
	£
Taxation on the profit for the period	
UK corporation tax at 30%	-
	<u>=====</u>

5. DIVIDENDS

No dividends have been paid or proposed.

6. DEBTORS

	2002
	£
Trade debtors	3,225
Amounts owed by group undertakings	1
	<u>-----</u>
	3,226
	<u>=====</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

LEADMILL RESIDENTS COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2002

7. CREDITORS: amounts falling due within one year

	2002 £
Trade creditors	2,845
Accruals and deferred income	835
	<u>3,680</u>

8. REPAIRS RESERVE

	2002 £
Charged to the profit and loss account in the period	4,887
At 31 March 2002	<u>4,887</u>

9. CALLED UP SHARE CAPITAL

	2002 £
Authorised:	
1 class "A" share	1
999 class "B" shares	999
	<u>1,000</u>
Issued and fully paid during the period:	
Class "A" share allotted and fully paid	1
Class "B" shares allotted and fully paid	54
	<u>55</u>

The authorised share capital is £1,000 divided into 1 "A" share of £1 and 999 "B" shares of £1 each.

Class "A" shareholders are entitled to receive notices of, attend, speak and vote at general meetings of the company. The "A" shareholders shall transfer their share to the purchaser of the last house on the site. On transfer the share automatically becomes a "B" class share at that date. Class "B" shareholders are not entitled to receive notices of, attend, speak or vote at general meetings of the company until the "A" share is redesignated as a "B" share.

LEADMILL RESIDENTS COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2002

9. CALLED UP SHARE CAPITAL (continued)

No "B" share may be allotted or issued to any person who is not a house owner/leaseholder. A "B" shareholder shall, and may only, transfer his "B" share, simultaneously with the completion of the transfer of ownership of his house or the assignment of his lease, to the new purchaser.

The director may declare dividends of which both classes of shareholder are entitled to receive. On winding up, the liquidator has the right to decide how the division of any assets between the different classes of shareholders is carried out.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £
Profit for the period	-
Net proceeds of issue of shares	55
Transfer to repairs reserve	4,887

Shareholders' funds as at 31 March 2002	4,942
	=====

11. EMPLOYEES

The company had no employees during the period.

12. DIRECTORS' EMOLUMENTS

The director of the company received no emoluments during the period.

13. CASH FLOW STATEMENT EXEMPTION

The company has elected to make use of the small companies exemption provided in Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements" not to produce its own cash flow statement.

LEADMILL RESIDENTS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2002****14. PARENT COMPANY**

Le Grand Annington Limited, which is registered in England & Wales, is the ultimate parent company.

Consolidated financial statements for the year ended 31 March 2002 for Le Grand Annington Limited can be obtained from the Secretary, Windsor House, 50 Victoria Street, London. SW1H 0NW

15. TRANSACTIONS WITH DIRECTOR

The company charged service charges totalling £2,608 to Annington Property Limited, a company related to the director, Annington Nominees Limited on the same basis as to other residents in Leadmill in respect of properties held by Annington Property Limited for resale.