Company No: 1482218

RAYSCLIFF FLAT MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2002

The directors present their report and the financial statements for the year ended 31 May 2002.

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.

Principal Activity

The company's principal activity continues to be the management of Rayscliff, West Cliff Road, Bournemouth.

Directors

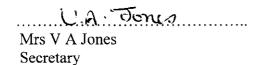
The directors at 31 May 2002 and their interest in the share capital of the company were as follows:-

	At 31 May 2002	At 1 June 2001 or subsequent date of appointment		
	Ordinary Shares	Ordinary Shares		
Mrs M D Waite	2	2		
Mrs V A Jones	2	2		

In addition Mr B R Brady served as a director until 21 July 2001

Small Company Rules

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. It was approved by the board on 20 June 2002 and signed on its behalf.





ACOUNTANTS' REPORT

Accountants' report on the unaudited Accounts to the Directors of Rayscliff Flat Management Limited

As described on the Balance Sheet you are responsible for the preparation of the Accounts for the year ended 31 May 2002, set out on page 3 to 4 and you consider that the company is exempt from an audit under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited Accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

183 Ashley Road, Parkstone, Poole, Dorset.

Binding, Southon & Co. Chartered Accountants. 21 June 2002

Bunding Southon 60.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2002

	<u>2002</u>	<u>2001</u>
Turnover Administrative Expenses	13,953 15,463	12,321 17,207
	(1,510)	(4,886)
Interest receivable	256	197
(Loss) on Ordinary Activities Before Taxation	(1,254)	(4,689)
Taxation	(76)	(20)
(Loss) on Ordinary Activities After Taxation	(1,330)	(4,709)
Retained Profit Brought Forward	4,838	9,547
Retained Profit Carried forward	£3,508	£4,838

Notes

1. Accounting Policies

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

- a) Turnover comprises the amounts receivable for the year.
- b) Freehold property is stated at cost including legal fees.

BALANCE SHEET

AS AT 31 MAY 2002

		<u>2002</u>		<u>2001</u>
FIXED ASSETS Freehold Property - at cost		6,613		6,613
CURRENT ASSETS Debtors - prepayments	865		1,061	
Cash at Bank and in Hand	8,168		8,563	
	9,033		9,624	
CREDITORS: Amounts falling due within one year Sundry Creditors	98		137	
Corporation Tax	26		14	
Accruals Receipts in Advance	573 4,800		516 4,091	
Receipts in Advance	7,000		7,071	
	5,497		4,758	
NET CURRENT ASSETS		3,536		4,866
				
NET ASSETS		£10,149		£11,479
Represented by:-				
Share Capital Authorised - Ordinary Shares of £1 each	28		28	
Allotted, Called-up and Fully Paid Ordinary Shares of £1 each Capital Reserve - contributions from		28		28
members for purchase of freehold		6,613		6,613
Profit and Loss Account		3,508		4,838
		£10,149		£11,479
			C	ontinued

BALANCE SHEET - (Continued)

Directors' Statements required by Section 249B(4) for the Year ended 31 may 2002

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 May 2002 and
- (c) that we acknowledge our responsibilities for;
- (1) ensuring that the company keeps accounting records which comply with Section 221, and
- (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 20 June 2002 and signed on its behalf by:-

U.A. Jones
Mrs V A Jones

Director