

**INDEPENDENT AUDITORS' REPORT TO
HILLERSDON ESTATES AND INVESTMENTS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

**Company Number
447577**

We have examined the abbreviated accounts on pages 2 to 6 together with the full financial statements for the year ended 24 March 2002.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with Sections 246 (5) and (6) of the Act and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

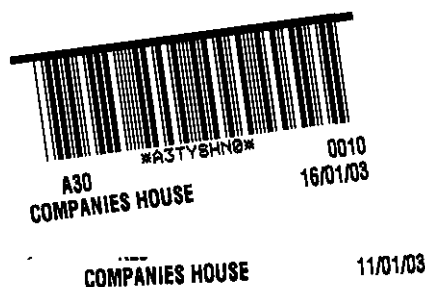
OPINION

In our opinion the company is entitled under Sections 246 (5) and (6) of the Companies Act 1985 to deliver abbreviated accounts and the accounts on pages 2 to 6 have been properly prepared in accordance with those provisions.

HLB AV Audit plc

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Registered Auditors
66 Wigmore Street
London W1U 2HQ

8/1/03



HILLERSDON ESTATES AND INVESTMENTS LIMITED

ABBREVIATED BALANCE SHEET AS AT 24 MARCH 2002

	Notes	£	£	£	2001 £
FIXED ASSETS					
Investment properties	1	10,729,925			9,005,000
Tangible assets	1	16,983			19,945
Investment in subsidiary			2		2
Investment in/loan to Associated Company		996,752			361,753
		<u>11,743,662</u>			<u>9,386,700</u>
CURRENT ASSETS					
Loan notes		50,000		50,000	
Debtors and prepayments		247,007		230,025	
Cash at bank		-		4,417	
		<u>297,007</u>		<u>284,442</u>	
CREDITORS: Amounts falling due within one year:					
Bank overdrafts and loans		2,647,392		878,572	
Other creditors and accruals		518,818		461,882	
		<u>3,166,210</u>		<u>1,340,454</u>	
NET CURRENT (LIABILITIES)		<u>(2,869,203)</u>			<u>(1,056,012)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,874,459</u>			<u>8,330,688</u>
CREDITORS: Amounts falling due after more than one year					
		<u>(1,791,355)</u>			<u>(2,151,940)</u>
		<u>£7,083,104</u>			<u>£6,178,748</u>

HILLERSDON ESTATES AND INVESTMENTS LIMITED

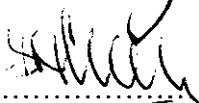
ABBREVIATED BALANCE SHEET - CONTINUED AS AT 24 MARCH 2002

	Notes	£	2001 £
CAPITAL AND RESERVES			
Called up share capital	3	495	495
Revaluation reserve		4,749,597	3,736,641
Profit and loss account		<u>2,333,012</u>	<u>2,441,612</u>
		<u>£7,083,104</u>	<u>£6,178,748</u>

These abbreviated accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board

.......... Director D.J. GREEN

.......... Director B.H. GREEN

These accounts were approved by the Board of Directors on 6/1/02

HILLERSDON ESTATES AND INVESTMENTS LIMITED

NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 24 MARCH 2002

1. FIXED ASSETS

Tangible assets	Freehold Investment Properties £	Furniture and equipment £	Total £
Cost/valuation			
At 25 March 2001	9,005,000	43,757	9,048,757
Additions	711,969	2,699	714,668
Net change in value	<u>1,012,956</u>	<u>-</u>	<u>1,012,956</u>
At 24 March 2002	<u>10,729,925</u>	<u>46,456</u>	<u>10,776,381</u>
Depreciation			
At 25 March 2001	-	23,812	23,812
Charge for the year	<u>-</u>	<u>5,661</u>	<u>5,661</u>
At 24 March 2002	<u>-</u>	<u>29,473</u>	<u>29,473</u>
Net book value			
At 24 March 2002	<u>10,729,925</u>	<u>16,983</u>	<u>10,746,908</u>
At 24 March 2001	<u>9,005,000</u>	<u>19,945</u>	<u>9,024,945</u>

2. PRINCIPAL ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention as amended by the revaluation of investment properties and otherwise in accordance with the Companies Act 1985.

HILLERSDON ESTATES AND INVESTMENTS LIMITED

NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 24 MARCH 2002

2. PRINCIPAL ACCOUNTING POLICIES - Continued

b) Depreciation

No depreciation is provided on freehold investment properties. These have been Revalued in accordance with Statement of Standard Accounting Practice No.19 by Messrs.Sidney Green & Co. (the directors are partners in this practice) and E A Shaw, Chartered Surveyors, although depreciation is one of the factors taken into account in arriving at the valuation. This is a departure from the provisions of the Companies Act 1985 in order to show a true and fair view.

As the company has no depreciation policy, it is not possible to quantify the effect of th departure from the Companies Act provisions.

c) Cash Flow Statement

Advantage has been taken of the exemption under Financial Reporting Standard No. 1 and no Cash Flow Statement has been prepared.

d) Reverse premiums

These are expensed over the primary period of the lease to which they relate and treated as a reduction of rent receivable.

3. SHARE CAPITAL

	2002	2001
Authorised:		
496 new ordinary shares of 50p each	248	248
496 preferred shares of 50p each	248	248
	<u>£496</u>	<u>£496</u>
Issued and fully paid:		
495 new ordinary shares of 50p each	248	248
495 preferred shares of 50p each	247	247
	<u>£495</u>	<u>£495</u>

HILLERSDON ESTATES AND INVESTMENTS LIMITED

**NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 24 MARCH 2002**

4. RELATED PARTY TRANSACTIONS

Commission of £102,989 (2001 : £48,168) was payable to Messrs Sidney Green & Co, the directors being partners in this practice.