

**SUNLEY PROPERTIES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 1996**

Registered Number: 692859



**HAYS ALLAN**  
CHARTERED ACCOUNTANTS

**SUNLEY PROPERTIES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 1996**

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# **SUNLEY PROPERTIES LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31ST DECEMBER 1996**

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The directors submit their annual report together with the audited financial statements for the year ended 31st December 1996.

### **REVIEW OF THE BUSINESS**

The principal activity of the company during the year involved the acquisition and resale of residential properties between group and associated member companies.

### **RESULTS AND DIVIDENDS**

The company made a profit for the year before taxation of £240 (1995: Profit £1,116). The loss for the year after taxation was £323 (1995: profit £837).

The directors recommend that no dividend be paid.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors of the company who served during the year are shown below:-

John B. Sunley	(Chairman)
R.C.N. Parr	
James B. Sunley	
G.W. Tucker	
D.T. Sparrow	(appointed 30th December 1996, resigned 3rd January 1997)

John B. Sunley and James B. Sunley are directors of the ultimate parent company, Sunley Family Limited. Their interests in the ultimate parent company and its subsidiaries are declared in that company's directors' report. None of the other directors had any interest in group companies.

### **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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

**SUNLEY PROPERTIES LIMITED**

**DIRECTORS' REPORT (continued)**

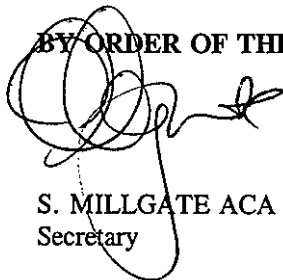
**YEAR ENDED 31ST DECEMBER 1996**

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**AUDITORS**

Hays Allan have indicated their willingness to continue in office as auditors and offer themselves for re-appointment.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, consisting of several loops and a trailing flourish, positioned over the printed name and title of the signatory.

**S. MILLGATE ACA**  
Secretary

Registered office:  
20 Berkeley Square  
London, W1X 6LL

7th March 1997.

**AUDITORS' REPORT TO THE MEMBERS OF  
SUNLEY PROPERTIES LIMITED**

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We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1 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 31st December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**HAYS ALLAN**

Chartered Accountants  
Registered Auditors

Southampton House  
317 High Holborn  
London WC1V 7NL

7th March 1997

**SUNLEY PROPERTIES LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31ST DECEMBER 1996**

	Note	1996 £	1995 £
TURNOVER	2	1,691,505	-
COST OF SALES	2	(1,691,505)	-
GROSS PROFIT		<u>-</u>	<u>-</u>
ADMINISTRATIVE EXPENSES		-	-
OPERATING PROFIT		<u>-</u>	<u>-</u>
INTEREST RECEIVABLE		240	1,116
OTHER INCOME		-	-
INTEREST PAYABLE		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>240</u>	<u>1,116</u>
TAXATION CHARGE ON PROFIT ON ORDINARY ACTIVITIES	3	(563)	(279)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(323)</u>	<u>837</u>
DIVIDENDS PAID ON EQUITY SHARES	4	-	(1,600,000)
RETAINED LOSS FOR THE FINANCIAL YEAR		<u>(323)</u>	<u>(1,599,163)</u>
RETAINED PROFITS BROUGHT FORWARD		679,168	2,278,331
RETAINED PROFITS CARRIED FORWARD		<u>£678,845</u>	<u>£679,168</u>

Turnover and operating profit are derived from continuing operations.

All recognised gains and losses are reflected in the profit and loss account.

**SUNLEY PROPERTIES LIMITED**

**BALANCE SHEET**

**31ST DECEMBER 1996**

	Note	1996 £	1995 £
<b>CURRENT ASSETS</b>			
Debtors	5	1,674,476	1,707,016
Investments	7	58	-
Cash at bank and in hand		1,560	101,321
		<u>1,676,094</u>	<u>1,808,337</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	268,249	400,169
<b>NET CURRENT ASSETS</b>		<u>1,407,845</u>	<u>1,408,168</u>
<b>NET ASSETS</b>		<u>£1,407,845</u>	<u>£1,408,168</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
<b>CALLED UP SHARE CAPITAL</b>	8	729,000	729,000
<b>PROFIT AND LOSS ACCOUNT</b>		678,845	679,168
		<u>£1,407,845</u>	<u>£1,408,168</u>

Approved by the board on 7th March 1997 and signed on its behalf by:-

Director



**SUNLEY PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 1996**

**1. ACCOUNTING POLICIES**

**a) BASIS OF PREPARATION**

The financial statements are prepared on the historical cost basis and in accordance with applicable accounting standards.

b) The directors have taken advantage of the exemption from preparing group accounts granted under S228 Companies Act 1985 on the grounds that the company and its subsidiary undertaking are part of a larger group.

**2. TURNOVER**

Turnover is derived from the value of completed show houses acquired from a group company at market value and sold to an investment company within which the company has retained an investment.

**3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

The charge for taxation on ordinary activities represents:

	1996 £	1995 £
Underprovision - earlier years	503	-
Corporation tax based on the profit for the year	60	279
	<u>£563</u>	<u>£279</u>

**4. DIVIDENDS PAID**

2% Preference dividend	-	7,290
Interim Ordinary dividend	-	1,592,710
	<u>-</u>	<u>£1,600,000</u>

**5. DEBTORS: DUE WITHIN ONE YEAR**

Amounts owed by group companies	1,674,476	1,307,239
Advance corporation tax recoverable	-	399,777
	<u>£1,674,476</u>	<u>£1,707,016</u>

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

Other creditors (re: share issue)	58	-
Corporation tax (net of income tax)	58	56
Advance corporation tax	-	400,000
Amounts owed to group companies	268,133	113
	<u>£268,249</u>	<u>£400,169</u>



# SUNLEY PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 1996

<b>7. INVESTMENT</b>			<b>1996</b>	<b>1995</b>
			£	£
Shares in associated company			£58	-
			<u>          </u>	<u>          </u>
<b>8. CALLED UP SHARE CAPITAL</b>				
		<b>Authorised</b>	<b>Issued and fully paid</b>	
	<b>1996</b>	<b>1995</b>	<b>1996</b>	<b>1995</b>
	£	£	£	£
Ordinary shares of £1 each	385,500	385,500	364,500	364,500
2% Preference shares of £1 each	364,500	364,500	364,500	364,500
	<u>£750,000</u>	<u>£750,000</u>	<u>£729,000</u>	<u>£729,000</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The 2% Preference shares of £1 each entitle the holder to a fixed non-cumulative dividend of 2% per annum in priority to any payment on the Ordinary shares but to no other rights to the profits or assets of the company. The shares carry voting rights only on a resolution directly affecting the rights of the shares.

<b>9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		<b>1996</b>	<b>1995</b>
		£	£
(Loss)/profit for the financial year		(323)	837
Dividend paid		-	(1,600,000)
Opening shareholders' funds		1,408,168	3,007,331
Closing shareholders' funds		<u>£1,407,845</u>	<u>£1,408,168</u>
		<u>          </u>	<u>          </u>

## 10. ULTIMATE PARENT COMPANY

The ultimate parent company is Sunley Family Limited, which is registered in England and Wales. Sunley Family Limited is also the head of the largest group of companies, of which the company is a member, that prepares group accounts.

The smallest group of companies, of which the company is a member, that prepares group accounts is headed by Sunley Holdings PLC, which is registered in England and Wales.

Group accounts for both Sunley Family Limited and Sunley Holdings PLC are available to the public, on payment of the appropriate fee, from Companies Registration Office, Companies House, Crown Way, Cardiff CF4 3UZ.

## 11. GROUP COMPANIES

The following is a list of associated companies whereby Sunley Properties Ltd does not retain a controlling interest as at the 31st December 1996.

	<b>% Ownership</b>	<b>Location</b>
Barley Showhomes Limited	50%	England

Barley Showhomes Limited is a joint venture company financed by the Sunley Holdings Group and Barclays Bank PLC and owned equally by both parties. Barley Showhomes Limited purchases showhouse properties from a Group company and charges a licence fee to that Group company for the use of the properties. At 31st December 1996 the amounts owing to the Sunley Holdings Group and Barclays Bank PLC in respect of these properties was £253,726 and £1,437,779 respectively. In addition £20,770 was owed by Barley Showhomes Limited to the Sunley Holdings Group in respect of a working capital facility.

During the year ended 31st December 1996 Sunley Properties Ltd sold 13 properties to the joint venture for £1,691,505 and at 31st December 1996 Barley Showhomes held properties at a value of £1,691,505.