

2250807

Country Estates (Hampshire) Limited

Report and Financial Statements

Year Ended
30 November 2000



BDO Stoy Hayward
Chartered Accountants

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Annual report and financial statements for the year ended 30 November 2000

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Directors

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Directors

W F Phelps
G P Smith

Secretary and registered office

P A Pennicott, Kingfisher House, Albury Close, Loverock Road, Reading, Berkshire RG30 1BD

Company number

2250807

Auditors

BDO Stoy Hayward, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Report of the directors for the year ended 30 November 2000

The directors submit their report with the audited financial statements for the year ended 30 November 2000.

Results and dividends

The results of the company for the year are set out on page 4.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future business

The principal activity of the company is the development and sale of industrial units.

At the balance sheet date the company had an excess of liabilities over assets and was dependent upon the support of other group companies. This support will continue to be available for the foreseeable future.

Directors

The following directors served throughout the year:

W F Phelps
G P Smith

Neither of the directors held a beneficial interest in the shares of the company although both served as directors of the ultimate holding company and their interests are disclosed in the accounts of that company.

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; and
- 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.

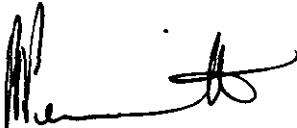
COUNTRY ESTATES (HAMPSHIRE) LIMITED

Report of the directors for the year ended 30 November 2000 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'P A Pennicott', written over a horizontal line.

P A Pennicott
Secretary

Date: 11 JAN 2001

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Report of the auditors

To the shareholders of Country Estates (Hampshire) Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 30 November 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
Reading

Date: 18 December 2001

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Profit and loss account for the year ended 30 November 2000

	Note	2000	1999
		£	£
Turnover		862,500	100,000
Cost of sales		560,322	84,580
		<hr/>	<hr/>
Gross profit		302,178	15,420
Distribution costs		6,082	8,160
Administrative expenses		124,086	42,456
		<hr/>	<hr/>
		(130,168)	(50,616)
		<hr/>	<hr/>
		172,010	(35,196)
Other operating income	2	398,101	422,397
		<hr/>	<hr/>
Operating profit	3	570,111	387,201
Interest receivable		13,710	10,899
Interest payable	4	(134,075)	(163,009)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		449,746	235,091
Taxation	5	81,700	46,607
		<hr/>	<hr/>
Profit on ordinary activities after taxation		368,046	188,484
		<hr/>	<hr/>

All amounts relate to continuing activities

The notes on pages 7 to 10 form part of these financial statements

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Statement of total recognised gains and losses and reconciliation of movements in shareholders' funds for the year ended 30 November 2000

	2000	1999
	£	£
Statement of total recognised gains and losses		
Profit for the financial year	368,046	188,484
Movement on revaluation of properties	8,000	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	376,046	188,484
	<hr/>	<hr/>
Reconciliation of movements in shareholders' funds		
Profit for the financial year	368,046	188,484
Movement on revaluation of properties	8,000	-
Shareholders' funds brought forward	(1,638,841)	(1,827,325)
	<hr/>	<hr/>
Closing shareholders' funds	(1,262,795)	(1,638,841)
	<hr/>	<hr/>

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Balance sheet at 30 November 2000

	Note	2000	1999
		£	£
Current assets			
Stocks	6	4,331,137	4,223,859
Debtors	7	31,901	46,630
Cash at bank and in hand		-	240,000
		<u>4,363,038</u>	<u>4,510,489</u>
Creditors: amounts falling due within one year	8	<u>5,254,500</u>	<u>5,685,497</u>
Net current liabilities		<u>(891,462)</u>	<u>(1,175,008)</u>
Total assets less current liabilities		<u>(891,462)</u>	<u>(1,175,008)</u>
Creditors: amounts falling due after more than one year	9	<u>(371,333)</u>	<u>(463,833)</u>
		<u>(1,262,795)</u>	<u>(1,638,841)</u>
Capital and reserves			
Called up share capital	10	2	2
Reserves	11	(1,262,797)	(1,638,843)
Shareholders' funds - equity		<u>(1,262,795)</u>	<u>(1,638,841)</u>

The financial statements were approved by the Board on

W F Phelps

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) Directors

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G P Smith

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The notes on pages 7 to 10 form part of these financial statements

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Notes forming part of the financial statements for the year ended 30 November 2000

1 Accounting policies

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain investment properties, on a going concern basis, and are in accordance with applicable accounting standards.

The going concern basis is considered appropriate notwithstanding the excess of liabilities over assets at the balance sheet date as the other members of the Country Estates Group have confirmed that they will not seek to recover the monies owing to them until this company is again solvent.

The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Investment properties

The investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Work in progress - cost of raw materials and labour, together with attributable overheads

Net realisable value is based on estimated selling price less further costs to completion and disposal.

2 Other operating income	2000 £	1999 £
Rent receivable	398,101	422,397

3 Operating profit

This is arrived at after charging:

Auditors' remuneration	1,670	1,440
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There were no directors' remuneration or staff costs paid during the year.

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Notes forming part of the financial statements for the year ended 30 November 2000 (Continued)

4	Interest payable - on bank loans and overdrafts	2000 £	1999 £
	Repayable within five years, not by instalments	99,822	126,302
	Repayable partly within five years by instalments	34,253	36,707
		<u>134,075</u>	<u>163,009</u>

5	Taxation	2000 £	1999 £
	Corporation tax payable based upon the results for the year	81,700	46,607
		<u>81,700</u>	<u>46,607</u>

6	Stocks	2000 £	1999 £
	Land	262,084	335,354
	Work in progress	8,304	23,345
	Stocks for resale	4,060,749	3,865,160
		<u>4,331,137</u>	<u>4,223,859</u>

There is no material difference between the carrying value for stock and its replacement cost.

7	Debtors	2000 £	1999 £
	Trade debtors	3,386	7,231
	Amount owed by group companies	-	25,000
	Other debtors	28,515	14,399
		<u>31,901</u>	<u>46,630</u>

All amounts fall due for payment within one year.

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Notes forming part of the financial statements for the year ended 30 November 2000 (Continued)

8 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	1,207,451	1,861,993
Amount due to group companies	3,755,133	3,585,660
Other creditors including taxation	118,510	122,980
Accruals	82,011	68,257
Corporation tax	91,395	46,607
	<u>5,254,500</u>	<u>5,685,497</u>

The bank loans and overdraft are secured by mortgages over the assets of the company and by guarantees given by group companies.

9 Creditors: amounts falling due after more than one year	2000 £	1999 £
Bank loans	<u>371,333</u>	<u>463,833</u>
Maturity of debt:		
In one year or less, or on demand	1,207,451	1,861,993
In more than one year but not more than two	92,500	92,500
In more than two years but not more than five	277,500	277,500
In more than five years	1,333	93,833
	<u>1,578,784</u>	<u>2,325,826</u>

The bank loans are secured over investment properties and are repayable by instalments over ten years.

10 Share capital	Ordinary shares of £1 each
The called up share capital remained throughout the year as follows:	
Authorised	<u>1,000</u>
Issued, allotted and fully paid	<u>2</u>

COUNTRY ESTATES (HAMPSHIRE) LIMITED

Notes forming part of the financial statements for the year ended 30 November 2000 (*Continued*)

11 Reserves	Revaluation reserve £	Profit & loss account £	Total £
Balance at 1 December 1999	148,423	(1,787,266)	(1,638,843)
Retained profit for the year	8,000	368,046	376,046
Profit realised on sale	(18,277)	18,277	-
	<hr/>	<hr/>	<hr/>
Balance at 30 November 2000	138,146	(1,400,943)	(1,262,797)
	<hr/>	<hr/>	<hr/>

12 Contingent liabilities

The company has a contingent liability of £957,681 at 30 November 2000 (1999 - £1,131,187) relating to guarantees over the overdraft and loan accounts of the parent company and fellow subsidiary companies. In view of the value of the securities held in those companies by the lenders, the directors do not anticipate any part of the contingent liability crystallising.

13 Ultimate parent company

The ultimate parent company is Country Estates Holdings plc, a company registered in England.

Pam Technical Services Limited is the parent company of the smallest group of which the company is a member.

14 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

15 Related party transactions

The company has taken advantage of the exemption allowed by Financial Report Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Country Estates Holdings plc.