

HONEYGROVE (HAST HILL) LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2000

Company Registration Number 3040928

HLB KIDSONS

Chartered Accountants & Registered Auditors

Hanover House

18 Mount Ephraim Road

Tunbridge Wells

Kent TN1 1ED



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HONEYGROVE (HAST HILL) LIMITED

FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2000

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HONEYGROVE (HAST HILL) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J D R Streeten
D J H Rivers
R W Vinson
C E Owen
R G Braidwood

Company secretary

L Gladwell

Registered office

Chequers
Bough Beech
Edenbridge
Kent TN8 7PD

Auditors

HLB Kidsons
Chartered Accountants
& Registered Auditors
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent TN1 1ED

Bankers

Barclays Bank plc
73/75 Calverley Road
Tunbridge Wells
Kent TN1 2UZ

HONEYGROVE (HAST HILL) LIMITED

THE DIRECTORS' REPORT YEAR ENDED 30 SEPTEMBER 2000

The directors present their report and the financial statements of the company for the year ended 30 September 2000.

Principal activities

The principal activity of the company has been the purchase and development of a prestigious property.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary shares of £1 each	
	At 30 September 2000	At 1 October 1999
J D R Streeten	-	-
D J H Rivers	-	-
R W Vinson	-	-
C E Owen	-	-
R G Braidwood	-	-
	<hr/>	<hr/>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB Kidsons be re-appointed as auditors of the company will be put to the Annual General Meeting.

HONEYGROVE (HAST HILL) LIMITED

THE DIRECTORS' REPORT *(continued)* YEAR ENDED 30 SEPTEMBER 2000

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors:

A handwritten signature in black ink, appearing to read 'L Gladwell', is written over a faint horizontal line.

L Gladwell
Company Secretary

Approved by the directors on 28 February 2001.

HONEYGROVE (HAST HILL) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS YEAR ENDED 30 SEPTEMBER 2000

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of the directors and the auditors

As described on page 2, 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.

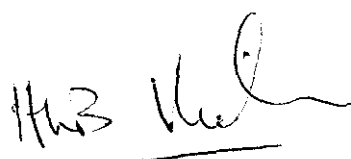
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 September 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

28 February 2001

Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent TN1 1ED



HLB KIDSONS
Chartered Accountants
& Registered Auditors

HONEYGROVE (HAST HILL) LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 30 SEPTEMBER 2000

	Note	2000 £	1999 £
Turnover		764,956	705,000
Cost of sales		(674,108)	(547,788)
Gross profit		<u>90,848</u>	<u>157,212</u>
Administrative expenses		(2,135)	(1,050)
Operating profit	2	<u>88,713</u>	<u>156,162</u>
Interest receivable and similar income		19,895	3,188
Interest payable		(1,212)	(7,341)
Profit on ordinary activities before taxation		<u>107,396</u>	<u>152,009</u>
Tax on profit on ordinary activities	3	(36,921)	(44,620)
Profit on ordinary activities after taxation		<u>70,475</u>	<u>107,389</u>
Equity dividends paid		(177,864)	(357,551)
Loss for the financial year		<u><u>(107,389)</u></u>	<u><u>(250,162)</u></u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

HONEYGROVE (HAST HILL) LIMITED

BALANCE SHEET 30 SEPTEMBER 2000

	Note	2000	1999
		£	£
Current assets			
Stock and work in progress	4	-	45,930
Debtors	5	263,261	670,451
Cash at bank		12	51
		<u>263,273</u>	<u>716,432</u>
Creditors: amounts falling due within one year	6	(263,173)	(361,984)
Net current assets		<u>100</u>	<u>354,448</u>
Total assets less current liabilities		<u>100</u>	<u>354,448</u>
Creditors: amounts falling due after more than one year	7	-	(246,959)
		<u>100</u>	<u>107,489</u>
Capital and reserves			
Called up equity share capital	9	100	100
Profit and loss account	10	-	107,389
Equity shareholders' funds	11	<u>100</u>	<u>107,489</u>

These financial statements have been prepared in accordance with the special provisions for small company under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on 28 February 2001 and are signed on their behalf by:



C E Owen
Director

HONEYGROVE (HAST HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2000

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year. Work on long term contracts is invoiced at specific stages of the contract. When turnover can be reasonably foreseen it is recognised together with the related profit.

Work in progress

Stocks, stocks of land and work in progress are stated at the lower of cost and net realisable value. Cost comprises the cost of land and buildings and associated professional charges, labour and materials, a proportion of site overheads and an element of the costs defined below. Net realisable value is based upon the estimated revenue less the estimated costs to be incurred to completion and disposal.

Capitalisation of interest and other borrowing costs

Pre-development funding costs are capitalised and written off over the life of the development, other funding costs are written off as incurred.

2. Operating profit

Operating profit is stated after charging:

	2000	1999
	£	£
Auditors' remuneration	1,950	1,050

3. Tax on profit on ordinary activities

	2000	1999
	£	£
In respect of the year		
Corporation tax based on the results for the year at 30% (1999: 30%)	32,220	36,085
Adjusted in respect of previous years:		
Corporation tax	4,701	8,535
	<u>36,921</u>	<u>44,620</u>

HONEYGROVE (HAST HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2000

4. Stock

	2000	1999
	£	£
Amounts recoverable on long term contract	-	45,930
	<u> </u>	<u> </u>

5. Debtors

	2000	1999
	£	£
Trade debtors	163,113	560,000
Amounts owed by group undertakings	100,148	110,451
	<u> </u>	<u> </u>
	263,261	670,451
	<u> </u>	<u> </u>

6. Creditors: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	-	325,000
Corporation tax	32,219	36,084
Amounts owed to group undertakings	88,932	-
Payments on account	46,139	-
Other creditors	88,933	900
Accruals and deferred income	6,950	-
	<u> </u>	<u> </u>
	263,173	361,984
	<u> </u>	<u> </u>

7. Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Other creditors	-	246,959
	<u> </u>	<u> </u>

8. Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No. 8 in respect of the disclosure of group transactions on the grounds that such details are included in the group's consolidated financial statements.

HONEYGROVE (HAST HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2000

9. Share capital

	2000	1999
	£	£
Authorised share capital:		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Ordinary share capital	100	100
	<u>100</u>	<u>100</u>

10. Profit and loss account

	2000	1999
	£	£
Balance brought forward	107,389	357,551
Loss for the financial year	(107,389)	(250,162)
	<u>-</u>	<u>107,389</u>
Balance carried forward	-	107,389
	<u>-</u>	<u>107,389</u>

11. Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	70,475	107,389
Dividends	(177,864)	(357,551)
	<u>(107,389)</u>	<u>(250,162)</u>
Opening shareholders' equity funds	107,489	357,651
	<u>100</u>	<u>107,489</u>
Closing shareholders' equity funds	100	107,489
	<u>100</u>	<u>107,489</u>

12. Ultimate parent company

The ultimate parent company is Honeygrove Holdings Limited, a company registered in England and Wales. Accounts for this company can be obtained upon request from the registered office.

Control of the company is exercised by J D R Streeten who owns 75.2% of the issued ordinary shares in Honeygrove Holdings Limited and is a company director.