

Company Registration No 4339730

HUNGATE (YORK) REGENERATION LIMITED

Report and Financial Statements

30 April 2004



HUNGATE (YORK) REGENERATION LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

John Drummond Bell	
Helen Jayne Rainsford	(Appointed 26.08.2003)
Micheal John McGuinness	(Appointed 26.08.2003)
Phillip Arther Darcy	(Appointed 14.10.2003)
Richard Deakin	(Appointed 14.10.2003)
Geoffrey Mortimer Goodwill	

SECRETARY

S Jobbins

REGISTERED OFFICE

Millshaw
Leeds
LS11 8EG

BANKERS

NatWest Bank
Leeds

SOLICITORS

Brooke North Solicitors
Leeds

AUDITORS

BDO Stoy Hayward LLP
Leeds

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period ended 30 April 2004

PRINCIPAL ACTIVITIES

No significant developments in the company's business are anticipated in the foreseeable future.

The principal activity of the company is that of property management and development.

RESULTS AND DIVIDENDS

The company made a pre tax profit of £41,929 (2003: £129,455)

The directors do not recommend the payment of a dividend for the period ended 30 April 2004.

The results of the year are set out on page 5.

DIRECTORS AND THEIR INTERESTS

The directors who were serving at the year end, together with their date of appointment, where applicable, were as follows:

John Drummond Bell	
Geoffrey Mortimer Goodwill	
Helen Jayne Rainsford	26.08.2003
Michael John McGuinness	26.08.2003
Philip Arthur Darcy	14.10.2003
Richard Deakin	14.10.2003

The following directors resigned in the year.

John Michael Thauwhare	02.06.2003
Nicholas Frank Carter	14.10.2003
Robert Henry De Barr	26.08.2003
Geoffrey Hutchinson	14.10.2003

At no point during the period did any director hold any interests in the shares of the company.

AUDITORS

On 24 November 2004 BDO Stoy Hayward LLP were appointed as auditors to fill a casual vacancy. A proposal to ratify their appointment will be made at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



Secretary

7 February 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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;
- 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. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HUNGATE (YORK) REGENERATION LIMITED

REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders of Hungate (York) Regeneration Limited

We have audited the financial Statements of Hungate (York) Regeneration limited for the year ended 30th April 2004 on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you in our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

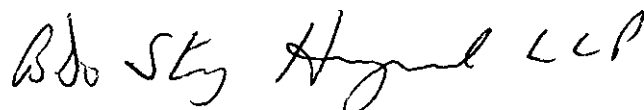
Basis of Audit opinion

We conducted our audit in accordance with United Kingdom 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 group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the financial 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 affairs of the company as at 30th April 2004 and of the profit for the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985



BDO STOY HAYWARD LLP

Chartered Accountants and Registered Auditors
Leeds

11 February 2005

HUNGATE (YORK) REGENERATION LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 April 2004

	Note	Year ended 2004 £	16 months ended 30 April 2003 £
Turnover		104,394	157,986
Property costs		(56,126)	(27,016)
Administrative expenses		(6,367)	(1,515)
Operating profit	3	41,901	129,455
Interest Receivable		28	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		41,929	129,455
Tax on profit on ordinary activities	4	(8,770)	(26,639)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION, RETAINED FOR THE PERIOD AND TRANSFERRED TO RESERVES	9	33,159	102,816

All the above activities relate to continuing operations and there were no acquisitions in the period.

The company has no recognised gains or losses other than as shown above.

The accompanying notes 1 to 12 are an integral part of this profit and loss account.

HUNGATE (YORK) REGENERATION LIMITED

BALANCE SHEET

30 April 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Stock properties		12,983,522	12,743,334
Debtors	5	75,563	88,505
Cash at bank and in hand		110,270	23,432
		<u>13,169,355</u>	<u>12,855,271</u>
CREDITORS: Amounts falling due within one year	6	<u>(2,152,930)</u>	<u>(1,872,005)</u>
NET CURRENT ASSETS		11,016,425	10,983,266
CREDITORS: Amounts falling due after more than one year	7	<u>(10,877,450)</u>	<u>(10,877,450)</u>
NET ASSETS		<u>138,975</u>	<u>105,816</u>
CAPITAL AND RESERVES			
Called-up share capital	8	3,000	3,000
Profit and loss account	9	135,975	102,816
EQUITY SHAREHOLDERS' FUNDS	10	<u>138,975</u>	<u>105,816</u>

The accompanying notes 1 to 12 form an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 7 February 2005.

Signed on behalf of the Board of Directors



Director

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, which have been applied consistently throughout the period is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

The company is exempt from the requirement to publish a cash flow statement under FRS 1 (Revised) as the company is a small company as defined by the Companies Act 1985.

Land stocks

Land stocks include land held for development and are valued at the lower of cost and net realisable value.

Turnover

Turnover represents amounts invoiced to tenants, excluding value added tax, as adjusted for rents invoiced in advance and in arrears. It is derived from a single class of business within the United Kingdom.

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No emoluments were received by any of the directors in the period. There are no other employees.

3. OPERATING PROFIT

Audit fees payable for the current period amounted to £1,500 (2003: £1,175).

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2004 £	16 months ended 30 April 2003 £
Current tax		
- UK corporation tax	8,770	26,639
Total current tax	8,770	26,639
Total tax on profit on ordinary activities	8,770	26,639

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2004 £	16 months ended 30 April 2003 £
Profit on ordinary activities before tax	41,929	129,455
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	12,578	38,837
Effects of:		
Expenses not deductible for tax purposes	1,500	3,225
Lower tax rates	(5,308)	(15,423)
Current tax charge for period	8,770	26,639

5. DEBTORS

	2004 £	2003 £
Trade debtors	54,635	56,548
Other debtors	503	-
VAT	16,331	28,221
Prepayments	4,094	3,736
	75,563	88,505

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	17,540	658,546
Corporation tax	8,770	26,639
Loans (note 12)	2,090,583	1,160,583
Accruals and deferred income	36,037	26,237
	2,152,930	1,872,005

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7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004 £	2003 £
Loans (note 12)	10,877,450	10,877,450

8. CALLED-UP SHARE CAPITAL

	2004 £	2003 £
Authorised, allotted, called-up and fully paid		
1,000 "A" ordinary shares of £1 each	1,000	1,000
1,000 "B" ordinary shares of £1 each	1,000	1,000
1,000 "C" ordinary shares of £1 each	1,000	1,000
	<u>3,000</u>	<u>3,000</u>

1,000 ordinary shares of £1 each have been allocated to each of the joint venture parties and are paid up in full. The "A" ordinary shares rank pari passu in every respect with the "B" ordinary shares and the "C" ordinary shares.

9. PROFIT AND LOSS ACCOUNT

	£
At 1 May 2003	102,816
Retained profit for the year	33,159
	<u>135,975</u>
At 30 April 2004	<u>135,975</u>

10. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2004 £	16 months ended 30 April 2003 £
Opening shareholders funds	105,816	-
Issue of ordinary shares	-	3,000
Profit for the period	33,159	102,816
	<u>138,975</u>	<u>105,816</u>
Closing equity shareholders' funds	<u>138,975</u>	<u>105,816</u>

11. JOINT VENTURE PARTIES

At 30 April 2004, the company is a joint venture between White Rose Property Investments Limited registered in England and Wales, Land Securities (Hungate) Limited, registered in England and Wales and Crosby Homes (Yorkshire) Limited registered in England and Wales.

The directors consider that neither of the undertakings set out below is the controlling party of the company

Name of undertaking	Description of shares held	Proportion of nominal value of ordinary shares held	Accounting Year end
White Rose Property Investments Limited	Ordinary	33.3%	30 March
Land Securities (Hungate) Limited	Ordinary	33.3%	30 March
Crosby Homes (Yorkshire) Limited	Ordinary	33.3%	30 April

12. RELATED PARTY DISCLOSURES

The amounts owed to related undertakings in note 6 and 7 represent loans from shareholders as follows:

	£
White Rose Property Investments Limited	696,861
Land Securities (Hungate) Limited	696,861
Crosby Homes (Yorkshire) Limited	696,861
	<u>2,090,583</u>
 ‘A’ Loan notes	
White Rose Property Investments Limited	5,245,000
Land Securities (Hungate) Limited	5,245,000
 ‘B’ Loan notes	
White Rose Property Investments Limited	193,725
Land Securities (Hungate) Limited	193,725
	<u>10,877,450</u>

During the period, Crosby Homes (Yorkshire) Limited, a joint venture partner, provided services to the company to the value of £236,892. At 30 April 2004 the amount outstanding in relation to works performed was £19,232.