

Company Registration Number SC 123618

HAVERSTOCK HOMES PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2006



HAVERSTOCK HOMES PLC
FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

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HAVERSTOCK HOMES PLC

COMPANY INFORMATION

The board of directors	Mr A N Zorbas Mr T Zorbas Mrs N Polity Zorbas
Company secretary	Mr A N Zorbas
Date of incorporation	9 March 1990
Registered office	125 West Regent Street Glasgow G2 2SA
Auditor	BSG Valentine Chartered Accountants & Registered Auditors Lynton House 7 12 Tavistock Square London WC1H 9BQ

HAVERSTOCK HOMES PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MAY 2006

The directors present their report and the financial statements of the company for the year ended 31 May 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year was that of developing properties and the letting of property on assured tenancies

During the year the company purchased two properties. The directors consider the state of the company's affairs to be satisfactory

RESULTS AND DIVIDENDS

The loss for the year amounted to £19,800. The directors have not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

It is not deemed material to disclose the financial risk management objectives and policies of the company, or the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk, in order to assess the assets, liabilities, financial position and profit or loss of the company

THE DIRECTORS AND THEIR INTERESTS IN THE 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 £0.50 each	
	At	At
	31 May 2006	1 June 2005
Mr A N Zorbas	18,500	18,500
Mr T Zorbas		
Mrs N Polity Zorbas		

POLICY ON THE PAYMENT OF CREDITORS

It is the company's policy to agree terms of transactions, including payment terms with suppliers and provided suppliers perform in accordance with the agreed terms. It is the company's normal practice that payment is made accordingly

At the balance sheet date the company had no days of purchases outstanding in trade creditors

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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 UK 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

HAVERSTOCK HOMES PLC
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MAY 2006

that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint BSG Valentine as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office
125 West Regent Street
Glasgow
G2 2SA

Signed by order of the directors

X 

MR A N ZORBAS
Company Secretary

Approved by the board on 20/02/07

HAVERSTOCK HOMES PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HAVERSTOCK HOMES PLC
YEAR ENDED 31 MAY 2006

We have audited the financial statements of Haverstock Homes PLC for the year ended 31 May 2006 on pages 6 to 13, which have been prepared on the basis of the accounting policies set out on page 10

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

We report to you 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2006 and of its loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements.

HAVERSTOCK HOMES PLC

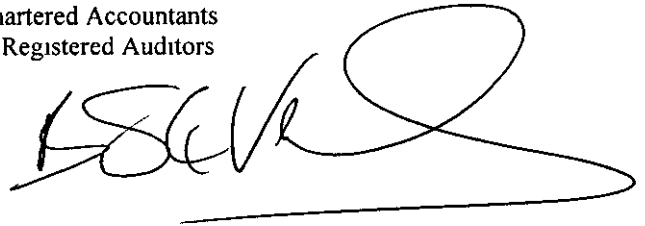
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HAVERSTOCK HOMES PLC *(continued)***

YEAR ENDED 31 MAY 2006

Lynton House
7 12 Tavistock Square
London
WC1H 9BQ

20 February 2007

BSG VALENTINE
Chartered Accountants
& Registered Auditors

A large, stylized handwritten signature in black ink, likely belonging to a representative of BSG Valentine, positioned below the company name.

HAVERSTOCK HOMES PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MAY 2006

	Note	2006 £	2005 £
TURNOVER	2	—	562,220
Cost of sales		—	(591,844)
GROSS LOSS		—	(29,624)
Administrative expenses		(26,490)	(38,780)
Other operating income	3	<u>8,053</u>	—
OPERATING LOSS	4	(18,437)	(68,404)
Interest receivable		1,644	1,430
Interest payable and similar charges	7	(3,007)	(13,648)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(19,800)</u>	<u>(80,622)</u>
Tax on loss on ordinary activities		—	—
LOSS FOR THE FINANCIAL YEAR		<u>(19,800)</u>	<u>(80,622)</u>
Balance brought forward		<u>(103,442)</u>	<u>(22,820)</u>
Balance carried forward		<u>(123,242)</u>	<u>(103,442)</u>

All of the activities of the company are classed as continuing

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

The notes on pages 10 to 13 form part of these financial statements.

HAVERSTOCK HOMES PLC

BALANCE SHEET

AS AT 31 MAY 2006

	Note	2006 £	£	2005 £	£
FIXED ASSETS					
Tangible assets	8		1		1
CURRENT ASSETS					
Stocks	9	577,810		31,428	
Debtors	10	37,818		58,841	
Cash at bank		19,965		212,063	
		<u>635,593</u>		<u>302,332</u>	
CREDITORS: Amounts falling due within one year	11	<u>(270,319)</u>		<u>(10,591)</u>	
NET CURRENT ASSETS			<u>365,274</u>		<u>291,741</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>365,275</u>		<u>291,742</u>
CREDITORS: Amounts falling due after more than one year	12		<u>(93,333)</u>		<u>-</u>
			<u>271,942</u>		<u>291,742</u>
CAPITAL AND RESERVES					
Called up equity share capital	15		229,983		229,983
Share premium account	16		165,201		165,201
Profit and loss account			<u>(123,242)</u>		<u>(103,442)</u>
SHAREHOLDERS' FUNDS	17		<u>271,942</u>		<u>291,742</u>

These financial statements were approved by the directors on the 20/02/07 and are signed on their behalf by


MRS N POLITY ZORBAS

The notes on pages 10 to 13 form part of these financial statements.

HAVERSTOCK HOMES PLC

CASH FLOW STATEMENT

YEAR ENDED 31 MAY 2006

	2006		2005
	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(538,735)	235,606
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	1,644		1,430
Interest paid	<u>(3,007)</u>		<u>(13,648)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(1,363)	(12,218)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Receipts from sale of fixed assets	--		195
Acquisition of investments	--		(33,608)
Disposal of investments	<u>--</u>		<u>40,413</u>
NET CASH INFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		--	7,000
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(540,098)	230,388
FINANCING			
Increase in/(repayment of) bank loans	<u>93,333</u>		<u>(273,000)</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		93,333	(273,000)
DECREASE IN CASH		<u>(446,765)</u>	<u>(42,612)</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES			
	2006		2005
	£		£
Operating loss	(18,437)		(68,404)
Depreciation	--		324
Profit on disposal of fixed assets	--		(195)
(Increase)/decrease in stocks	(546,382)		392,068
Decrease/(increase) in debtors	21,023		(27,390)
Increase/(decrease) in creditors	<u>5,061</u>		<u>(60,797)</u>
Net cash (outflow)/inflow from operating activities	<u>(538,735)</u>		<u>235,606</u>

The notes on pages 10 to 13 form part of these financial statements.

HAVERSTOCK HOMES PLC
CASH FLOW STATEMENT *(continued)*
YEAR ENDED 31 MAY 2006

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2006		2005	
	£	£	£	£
Decrease in cash in the period	(446,765)		(42,612)	
Net cash (inflow) from/outflow from bank loans	<u>(93,333)</u>		<u>273,000</u>	
		(540,098)		230,388
Change in net debt		(540,098)		230,388
Net funds at 1 June 2005		208,983		(55,013)
Net debt at 31 May 2006		<u>(331,115)</u>		<u>208,983</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jun 2005 £	Cash flows £	At 31 May 2006 £
Net cash			
Cash in hand and at bank	212,063	(192,098)	19,965
Overdrafts	<u>(3,080)</u>	<u>(254,667)</u>	<u>(257,747)</u>
	208,983	(446,765)	(237,782)
Debt			
Debt due after 1 year	<u>—</u>	<u>(93,333)</u>	<u>(93,333)</u>
Net debt	<u>208,983</u>	<u>(540,098)</u>	<u>(331,115)</u>

The notes on pages 10 to 13 form part of these financial statements

HAVERSTOCK HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Computer Equipment 25% Straight line method

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2006 £	2005 £
United Kingdom	<u>—</u>	<u>562,220</u>

3. OTHER OPERATING INCOME

	2006 £	2005 £
Rent receivable	<u>8,053</u>	<u>—</u>

4. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2006 £	2005 £
Depreciation of owned fixed assets	—	324
Profit on disposal of fixed assets	—	(195)
Auditor's remuneration as auditor	<u>4,700</u>	<u>4,700</u>

HAVERSTOCK HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2006 No	2005 No
Number of management staff	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were

	2006 £	2005 £
Wages and salaries	12,000	12,000
Social security costs	<u>—</u>	<u>—</u>
	<u>12,000</u>	<u>12,000</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2006 £	2005 £
Emoluments receivable	<u>12,000</u>	<u>12,000</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Interest payable on bank borrowing	<u>3,007</u>	<u>13,648</u>

8. TANGIBLE FIXED ASSETS

	Computer Equipment £
COST	
At 1 June 2005 and 31 May 2006	<u>1,951</u>
DEPRECIATION	
At 1 June 2005 and 31 May 2006	<u>(1,950)</u>
NET BOOK VALUE	
At 31 May 2006	<u>1</u>
At 31 May 2005	<u>1</u>

9 STOCKS

	2006 £	2005 £
Work in progress	<u>577,810</u>	<u>31,428</u>

HAVERSTOCK HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

10 DEBTORS

	2006	2005
	£	£
Other debtors	34,525	53,581
Directors current accounts	3,293	5,260
	<u>37,818</u>	<u>58,841</u>

11 CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	257,747	3,080
Accruals and deferred income	12,572	7,511
	<u>270,319</u>	<u>10,591</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2006	2005
	£	£
Bank loans and overdrafts	<u>257,747</u>	<u>3,080</u>

The bank hold as security a first legal mortgage over the freehold property known as 122 Fellows Road, London and 92 Elgin Avenue, London

12. CREDITORS: Amounts falling due after more than one year

	2006	2005
	£	£
Bank loans and overdrafts	<u>93,333</u>	<u>—</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2006	2005
	£	£
Bank loans and overdrafts	<u>93,333</u>	<u>—</u>

13. TRANSACTIONS WITH THE DIRECTORS

At the year end the directors have an overdrawn loan account of £3,292 (2005 £5,260)

14 RELATED PARTY TRANSACTIONS

The controlling party during the period was I Kareliotis, by virtue of holding the majority of the issued share capital

HAVERSTOCK HOMES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

15 SHARE CAPITAL

Authorised share capital:

	2006 £	2005 £
15,000,000 Ordinary shares of £0 50 each	<u>7,500,000</u>	<u>7,500,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £0 50 each	<u>459,965</u>	<u>229,983</u>	<u>459,965</u>	<u>229,983</u>

16 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Loss for the financial year	(19,800)	(80,622)
Opening shareholders' funds	<u>291,742</u>	<u>372,364</u>
Closing shareholders' funds	<u>271,942</u>	<u>291,742</u>