

**COPY FOR REGISTRAR OF COMPANIES**

**COMPANY No. SC123618**

**HAVERSTOCK HOMES PLC**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MAY 1996**  
**(Company Number SC123618)**

*17*



# HAVERSTOCK HOMES PLC

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CONTENTS	PAGE
DIRECTORS AND OFFICERS	1
DIRECTORS' REPORT	2 - 3
AUDITORS' REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
CASH FLOW STATEMENT	7
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	8
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	8
NOTES TO ACCOUNTS	9 - 12

DIRECTORS AND OFFICERS

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1

DIRECTORS

Alexander N Zorbas  
Robert J Horne  
Eugenia Siapera

SECRETARY

Alexander N Zorbas

AUDITORS

Moores Rowland  
Allan House  
25 Bothwell Street  
Glasgow  
G2 6NL

BANKERS

National Westminster Bank plc  
169 Victoria Street  
London  
SW1E 5BT

REGISTERED OFFICE

Allan House  
25 Bothwell Street  
Glasgow  
G2 6NL

## DIRECTORS' REPORT

2

The Directors present their annual report on the affairs of the company together with the Accounts for the year ended 31 May 1996.

## RESULTS AND DIVIDENDS

The profit for the year after taxation was £8,391 (1995: Profit £12,808).

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the letting of property on assured tenancies.

During the year there was a small decrease in the rents received for the leasehold properties due to all properties not being fully let throughout the year. Expenditure was kept to the minimum while maintaining the standard of the properties.

## DIRECTORS AND THEIR INTERESTS

Sir Albert McQuarrie, Lady Rhoda McQuarrie and Mr John Stacpoole resigned as directors on 16 December 1996. Mr Alexander Nicholas Zorbas, Mr Robert J Horne and Miss Eugenia Siapera were appointed directors on 16 December 1996.

The beneficial interests of the directors in the shares of the company at the beginning and the end of the year were as follows:

	Ordinary Shares of 50p each 31 May 1995	Ordinary Shares 50p each 31 May 1994
Sir Albert McQuarrie	-	-
John Stacpoole	-	-
Lady Rhoda McQuarrie	-	-

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## DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

## AUDITORS

Moore Rowland 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



ALEXANDER N ZORBAS

DIRECTOR

23 December 1996

AUDITORS' REPORT TO THE MEMBERS OF  
HAVERSTOCK HOMES PLC

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4

We have audited the accounts on pages 5 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Moore & Rowland*

MOORES ROWLAND

Chartered Accountants  
Registered Auditors

Allan House  
25 Bothwell Street  
Glasgow G2 6NL

*24 December 1996*

PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31 MAY 1996

5

		1996	1995
	Note	£	£
TURNOVER	2	45,614	48,102
Administration expenses		26,752	25,082
OPERATING PROFIT	3	18,862	23,020
Interest payable		9,845	10,212
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,017	12,808
Tax on profit on ordinary activities	4	626	-
PROFIT FOR THE YEAR	9	8,391	12,808

All disclosures relate only to continuing operations.

The notes on pages 9 to 12 form part of these accounts.

		1996	1995
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	395,000	392,831
<b>CURRENT ASSETS</b>			
Debtors	6	2,986	5,572
Creditors: amounts due falling within one year	7	113,960	126,879
<b>NET CURRENT LIABILITIES</b>		<u>(110,974)</u>	<u>(121,307)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>284,026</u>	<u>271,524</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	8	229,983	229,983
Reserves	9	54,043	41,541
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>284,026</u>	<u>271,524</u>

The accounts on pages 5 to 12 were approved by the board of directors on *23 December 1996* and were signed on its behalf by:

*R. J. Horne*

DIRECTOR

ROBERT J HORNE

The notes on pages 9 to 12 form part of these accounts.



CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MAY 1996

7

		1996	1995
	Note	£	£
Net cash inflow from operating activities	10	18,248	30,600
<i>Returns on investment and servicing of finance</i>			
Interest paid		(9,845)	(10,212)
<i>Taxation</i>			
UK Corporation Tax		1,198	-
<i>Investing activities</i>			
Purchase of tangible fixed assets		<u>-</u>	<u>-</u>
Net cash inflow before financing		9,601	20,388
<i>Financing</i>			
Repayments of loan capital		(6,459)	(6,558)
Share capital issued		-	-
Net cash outflow from financing	11	<u>(6,459)</u>	<u>(6,558)</u>
Net cash inflow		<u>3,142</u>	<u>13,830</u>
<i>Increase/(decrease) in cash and cash equivalents</i>			
Bank overdraft at 1 June 1995		(32,564)	(46,394)
Net cash inflow		<u>3,142</u>	<u>13,830</u>
Bank overdraft at 31 May 1996		<u>(29,422)</u>	<u>(32,564)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31 MAY 1996

8

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	1996	1995
	£	£
Profit for the year	8,391	12,808
Property revaluation	4,111	-
Net increase in shareholders funds	<u>12,502</u>	<u>12,808</u>
Opening shareholders' funds	<u>271,524</u>	<u>258,716</u>
Closing shareholders' funds	<u><u>284,026</u></u>	<u><u>271,524</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MAY 1996

Profit for the year	8,391	12,808
Unrealised surplus on revaluation of properties	4,111	-
Total recognised profit relating to the year	<u><u>12,502</u></u>	<u><u>12,808</u></u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 1996

9

## 1. ACCOUNTING POLICIES

- (a) The accounts have been prepared under the historical cost convention modified by the revaluation of investment properties.
- (b) Depreciation is provided in equal instalments over the assets useful lives. The following rates have been applied:

Fixtures and Fittings	25%
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- (c) The company's leasehold properties are held as investment properties. These properties are revalued annually and the aggregate surplus or deficit is transferred to reserves. No depreciation is provided in respect of these properties. This constitutes a departure from the statutory requirement that fixed assets are depreciated over their economic useful lives and is necessary to enable the accounts to give a true and fair view.

## 2. TURNOVER

The turnover and profit before taxation is attributable to the company's principal activity, namely that of letting property on assured tenancies.

## 3. OPERATING PROFIT

The operating profit is stated after charging:	1996	1995
	£	£
Depreciation	1,942	2,215
Management fees	7,750	5,000
Auditors' remuneration - audit services	1,763	1,275
- other services	600	600
	<u>        </u>	<u>        </u>

## 4. TAXATION

UK Corporation Tax at 25%	626	-
	<u>        </u>	<u>        </u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 1996 (CONT'D)

10

## 5. TANGIBLE FIXED ASSETS

	Leasehold Properties	Fixtures & Fittings	Total
	£	£	£
<i>Cost or valuation</i>			
At 1 June 1995	390,889	8,860	399,749
Additions	-	-	-
Revaluation	4,111	-	4,111
	<u>395,000</u>	<u>8,860</u>	<u>403,860</u>
At 31 May 1996			
<i>Depreciation</i>			
At 1 June 1995	-	6,918	6,918
Charge for year	-	1,942	1,942
	<u>-</u>	<u>8,860</u>	<u>8,860</u>
At 31 May 1996			
<i>Net Book Value</i>			
At 31 May 1996	<u>395,000</u>	<u>-</u>	<u>395,000</u>
At 31 May 1995	<u>390,889</u>	<u>1,942</u>	<u>392,831</u>

The company's leasehold properties were revalued on 23 November 1995 by Maunder Taylor, Chartered Surveyors, on an open market basis subject to vacant possession, at a total of £395,000. The properties are all held on an assured shorthold tenancies of six months which can be terminated by the landlord at the end of the tenancy period. Consequently the directors consider vacant possession to be the appropriate basis of valuation and that the value at 31 May 1996 has not changed from that of 23 November 1995.

## 6. DEBTORS

	1996	1995
	£	£
Amounts due within one year		
Trade debtors	2,555	3,648
Prepayments	-	295
Tax recoverable	431	1,629
	<u>2,986</u>	<u>5,572</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 1996 (CONT'D)

11

## 7. CREDITORS

	1996	1995
	£	£
Amounts due within one year		
Bank overdraft	29,422	32,564
Bank loan	58,347	64,806
Tenants' deposits	3,864	2,867
Accruals	21,701	26,642
Corporation Tax	626	-
	<u>113,960</u>	<u>126,879</u>

The bank overdraft and loan are secured by legal mortgages over the leasehold properties and are repayable on demand.

## 8. SHARE CAPITAL

	1996	1995
	£	£
Authorised 15,000,000 Ordinary shares at 50p each	<u>7,500,000</u>	<u>7,500,000</u>
Allotted, called up and fully paid 459,965 Ordinary shares at 50p each	<u>229,983</u>	<u>229,983</u>

## 9. RESERVES

	Property Revaluation Reserve	Share Premium Account	Profit & Loss Account	Total
	£	£	£	£
At 1 June 1995	(130,297)	165,201	6,637	41,541
Profit for year	-	-	8,391	12,502
Revaluation	4,111	-	-	4,111
At 31 May 1996	<u>(126,186)</u>	<u>165,201</u>	<u>15,028</u>	<u>54,043</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 1996 (CONT'D)

12

## 10. NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996	1995
	£	£
Operating profit	18,862	23,020
Depreciation charges	1,942	2,215
Decrease (increase) in debtors	1,388	(3,257)
(Decrease) increase in creditors	(3,944)	8,622
	<u>18,248</u>	<u>30,600</u>
Net cash inflow from operating activities	<u>18,248</u>	<u>30,600</u>

## 11. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital including premium	Loan
	£	£
Financing at 1 June 1995	395,184	64,806
Cash outflows from financing	-	(6,459)
	<u>395,184</u>	<u>58,347</u>
Financing at 31 May 1996	<u>395,184</u>	<u>58,347</u>