REGISTERED NUMBER: 1604821

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2003

FOR

HEATON HOLDINGS LIMITED

Morris Crocker
Chartered Accountants
Registered Auditors
Station House
North Street
Havant
PO9 1QU



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HEATON HOLDINGS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30TH APRIL 2003

DIRECTORS:	S J H Waring BSc(Hons)C Eng, FICE Mrs A C H Waring D W Russell - Solicitor
SECRETARY:	D G Hosier FCCA
REGISTERED OFFICE:	Heaton House Cams Estate Fareham Hampshire PO16 8AA
REGISTERED NUMBER:	1604821
AUDITORS:	Morris Crocker Chartered Accountants and Registered Auditors Station House North Street Havant PO9 1QU
BANKERS:	Lloyds TSB Bank plc Gracechurch House 23/35 Castle Way Southampton Hampshire SO14 2BW
SOLICITORS:	Blake Lapthorn Linnell 1 Barnes Wallis Road Segensworth Fareham Hampshire PO15 5UA

HEATON HOLDINGS LIMITED

REPORT OF THE CHAIRMAN
FOR THE YEAR ENDED 30TH APRIL 2003

It was always going to be difficult to write a report this year, following one in which the group made a pre-tax profit of over £5 million on a turnover of £16.2 million. However, I am delighted to report that in the year to 30th April 2003, the group made a pre-tax profit of over £2.1 million, a return of 15.4% on capital employed. Furthermore, the balance sheet now stands at a record high of over £17.6 million.

On the property development side, Gatcombe House Properties has completed its £20 million scheme at North Harbour, Portsmouth. In addition, Strand Harbour Securities has successfully sold 3 of the last five units at its flagship Cams Estate development. It is to be hoped that the remaining 2 units will be let or sold during the current financial year. Neither company intends to carry out further developments in the future.

Heaton Property Investments now has a portfolio of properties valued at over £7.7 million with an annual income of almost £650,000. In the future, the rental income from this company will be the main income generator of the group, together with other substantial financial investments.

During the year, the intellectual property rights of Sanipor (UK) Limited were sold to Laing Engineering. Laing have been licencees for the Sanipor process since 1991 and were a natural purchaser, resulting in excellent value for both parties. The Sanipor venture was a bold move by the group back in 1989, but partly as a result of the subsequent privatisation of the water companies, it has proved a very rewarding diversification.

Although the activities of the company are now reduced, the Directors anticipate a substantial profit in the current year.

.....

S J H Waring BSc(Hons), C Eng, FICE - CHAIRMAN

Dated: 11 August 2003

HEATON HOLDINGS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH APRIL 2003

The directors present their report with the financial statements of the company for the year ended 30th April 2003.

PRINCIPAL ACTIVITY
The principal activity of Heaton Holdings Limited and its subsidiaries in the year under review are property development and investment.

REVIEW OF BUSINESS
The results for the year and financial position of the company are shown in the annexed financial statements.

A summary of the year's performance is detailed in the Chairman's Statement.

DIVIDENDS
Interim dividends per share were paid as follows:

£1 – 10th January 2003
£1 – 7th April 2003
£2

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30th April 2003 will be £279,422.

DIRECTORS
The directors during the year under review were:

S J H Waring BSc(Hons)C Eng, FICE
Mrs A C H Waring
D W Russell - Solicitor

Mr and Mrs Waring have an interest in the share capital of the company through their holding in the shares of the ultimate holding company, Heaton Consolidated Property Holdings Limited. Their interests are shown in the directors' report for that company.

DONATIONS
During the year the group made various charitable contributions totalling £3,315.

STATEMENT OF 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;
- 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.

AUDITORS
The auditors, Morris Crocker, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

.....
D G Hosier FCCA – SECRETARY

Dated: 11th August 2003

HEATON HOLDINGS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF HEATON HOLDINGS LIMITED

We have audited the financial statements of Heaton Holdings Limited for the year ended 30th April 2003 on pages 5 to 23. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

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 auditors' 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 auditors
As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 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 Report of the Directors is not consistent with the financial statements, if the company or group 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 or group is not disclosed.

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

Basis of 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 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 and the group's affairs as at 30th April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Morris Crocker
Chartered Accountants
Registered Auditors
Station House
North Street
Havant
PO9 1QU



Dated: 29th August 2003

HEATON HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 2003

	Notes	2003 £	2003 £	2002 £	2002 £
TURNOVER	1		3,770,594		16,215,604
Continuing operations		3,146,954		11,340,559	
Discontinued operations		623,640		4,875,045	
Cost of sales	2		1,511,449		11,173,285
GROSS PROFIT	2		2,259,145		5,042,319
Net operating expenses	2		313,627		289,304
OPERATING PROFIT	4		1,945,518		4,753,015
Continuing operations		1,373,996		3,092,160	
Discontinued operations		571,522		1,660,855	
Interest receivable and similar income			208,521		259,306
Interest payable and similar charges	5		1,392		3,257
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			2,152,647		5,009,064
Tax on profit on ordinary activities	6		(614,278)		(1,462,256)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			1,538,369		3,546,808
Equity minority interest			(5,689)		(105,018)
PROFIT FOR THE FINANCIAL YEAR			1,532,680		3,441,790
Dividends	7		279,422		4,001,323
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR			1,253,258		(559,533)
Retained profit brought forward			13,638,762		14,198,295
RETAINED PROFIT CARRIED FORWARD			£14,892,020		£13,638,762

The notes form part of these financial statements

HEATON HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30TH APRIL 2003

	2003	2002
	£	£
PROFIT FOR THE FINANCIAL YEAR	1,532,680	3,441,790
Unrealised surplus on revaluation of investment properties	346,527	930,903
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	1,879,207	£4,372,693

The notes form part of these financial statements

HEATON HOLDINGS LIMITED

GROUP BALANCE SHEET
30TH APRIL 2003

	Notes	2003 £	2002 £
FIXED ASSETS:			
Tangible assets	8	11,288,812	10,960,675
Intangible assets	9	-	20,000
		11,288,812	10,980,675
CURRENT ASSETS:			
Stocks and work in progress	11	103,878	1,511,632
Debtors	12	638,063	815,812
Investments	13	1,461,188	512,450
Cash at bank and in hand		4,921,264	4,157,011
		7,124,393	6,996,905
CREDITORS: Amounts falling due within one year	14	(786,742)	(1,957,076)
NET CURRENT ASSETS:		6,337,651	5,039,829
TOTAL ASSETS LESS CURRENT LIABILITIES:		17,626,463	16,020,504
PROVISION FOR LIABILITIES AND CHARGES	16	(4,770)	(4,285)
		£17,621,693	£16,016,219
CAPITAL AND RESERVES:			
Called up share capital	18	139,711	139,711
Other reserves	19	2,535,081	2,188,554
Profit and loss account		14,892,020	13,638,762
		17,566,812	15,967,027
Equity minority interest		54,881	49,192
Shareholders' funds	20	£17,621,693	£16,016,219

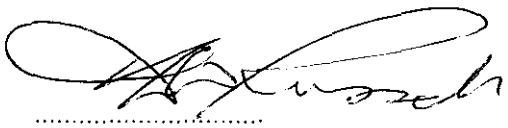
The notes form part of these financial statements

HEATON HOLDINGS LIMITED

PARENT COMPANY BALANCE SHEET
30TH APRIL 2003

	Notes	2003 £	2002 £
FIXED ASSETS:			
Tangible assets	8	598,606	636,551
Investments	10	57,975	57,975
		656,581	694,526
CURRENT ASSETS:			
Debtors	12	3,936,964	5,549,999
Investments	13	1,461,188	512,450
Cash in hand		4,886,050	4,090,909
		10,284,202	10,153,358
CREDITORS: Amounts falling due within one year	14	(653,413)	(2,188,365)
NET CURRENT ASSETS:		9,630,789	7,964,993
TOTAL ASSETS LESS CURRENT LIABILITIES:		£10,287,370	£8,659,519
CAPITAL AND RESERVES:			
Called up share capital	18	139,711	139,711
Capital redemption reserve	19	16,891	16,891
Profit and loss account		10,130,768	8,502,917
SHAREHOLDERS' FUNDS:	20	£10,287,370	£8,659,519

ON BEHALF OF THE BOARD:



.....
D W Russell

Approved by the Board on

HEATON HOLDINGS LIMITED

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 2003

	Notes	£	2003 £	£	2002 £
Net cash inflow from operating activities	1		3,241,155		9,625,269
Returns on investments and servicing of finance					
Interest received		240,169		248,061	
Interest paid		(1,392)		(3,257)	
			238,777		244,804
Taxation			(1,506,142)		(534,228)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(100,591)		(3,163,932)	
Sale of tangible fixed assets		70,600		18,076	
			(29,991)		(3,145,856)
Equity dividends paid			(279,422)		(4,001,323)
			1,664,377		2,188,666
Management of liquid resources					
Purchase of corporate bonds			(898,922)		(525,184)
Financing					
Finance lease repayments			(1,202)		(2,739)
Increase in cash for the year			£ 764,253		£1,660,743
Reconciliation of net cash flow to movement in net funds					
Increase in cash for the year			764,253		1,660,743
Cash outflow from debt and lease financing			1,202		2,739
Movement in net funds for year			765,455		1,663,482
Net funds at 1st May 2002	2		4,155,809		2,492,327
Net funds at 30th April 2003	2		£4,921,264		£4,155,809

The notes form part of these financial statements

NOTES TO THE GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH APRIL 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	1,945,518	4,753,015
Depreciation and amortisation charges	71,949	95,458
Profit/(loss) on sale of tangible fixed assets	(3,569)	770
Profit on loan relationship	(106,664)	(8,933)
Profit on capitalisation of investment properties	-	(1,157,548)
Decrease in stocks and work in progress	1,366,750	6,437,654
Decrease/(increase) in debtors	100,783	(595,790)
(Decrease)/increase in creditors	(232,612)	100,643
Net cash inflow from operating activities	£3,241,155	£9,625,269

2. ANALYSIS OF NET FUNDS

	At 01.05.02 £	Cash Flow £	At 30.04.03 £
Net cash:			
Cash at bank and in hand	4,157,011	764,253	4,921,264
Debt:			
Hire purchase and finance leases	(1,202)	1,202	-
	£4,155,809	£ 765,455	£4,921,264

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Turnover
Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 50 years
Plant and machinery	- 5 years
Motor vehicles	- 5 years
Patents, licences and franchise costs	- 5 years
Fixtures and fittings	- 5 years

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Finance lease and operating lease commitments
Assets obtained under hire purchase/finance lease contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the obligations is charged to the profit and loss account and represents a constant rate of interest. The liability included in the balance sheet represents total future commitments net of outstanding interest.

Operating lease rentals are charged to the profit and loss account in the period in which they incurred.

Pension costs
Contributions to defined contribution schemes are charged to the profit and loss account in the period in which they fall due.

Investment properties
These represent properties held by the group for their investment potential. They are included in the balance sheet at market value as determined by the directors. In accordance with Statement of Standard Accounting Practice No 19, no depreciation is provided in respect of freehold investment properties. Although the Companies Act 1985 would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of the investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

Property developments

Speculative property developments represent the invoiced value of sales, exclusive of value added tax. Work in progress is valued at the lower of cost or net realisable value.

Development contracts are valued at the sales value of work done after provision for anticipated future losses. Cash received on account and amounts certified are deducted from the value of work done and the balance is reflected in debtors as amounts recoverable on contracts. Turnover reflects the value of work done, exclusive of valued added tax. Profit on individual contracts is included on a prudent basis when their outcome can be foreseen with reasonable certainty. Full provision is made for foreseeable losses.

1. **ACCOUNTING POLICIES (CONTINUED)**

Current asset investments
Listed fixed interest current asset investments are marked to market at the balance sheet date and the difference between cost and market value is taken to the profit and loss account. This treatment is a departure from UK accounting rules, which stipulate that unrealised profits be credited to revaluation reserve. In the opinion of the Directors, the treatment adopted is necessary to present a true and fair view. The accounting treatment adopted represents a fairer reflection of the investment return.

Consolidation
The group accounts consolidate the accounts of Heaton Holdings Limited and all its subsidiary companies.

2. **ANALYSIS OF OPERATIONS**

	2003 Continuing £	2003 Discontinued £	Total £
Cost of sales	1,491,085	20,364	1,511,449
Gross profit	1,655,869	603,276	2,259,145
Net operating expenses:			
Administrative expenses	577,089	33,125	610,214
Other operating income	(295,216)	(1,371)	(296,587)
	281,873	31,754	313,627

	2002 Continuing £	2002 Discontinued £	Total £
Cost of sales	7,968,784	3,204,501	11,173,285
Gross profit	3,371,775	1,670,544	5,042,319
Net operating expenses:			
Administrative expenses	750,928	9,689	760,617
Other operating income	(471,313)	-	(471,313)
	279,615	9,689	289,304

3. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	153,073	373,160
Social security costs	28,720	58,043
Other pension costs	28,755	40,397
	210,548	471,600

The average monthly number of employees during the year was as follows:

	2003	2002
Management, clerical and administrative	4	8
Technical and operational	-	1
	4	9

Information regarding the highest paid director for the year ended 30th April 2003 is as follows:

	2003
	£
Emoluments etc	176,565

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Rent receivable	(180,162)	(404,511)
Profit on capitalisation of properties	-	(1,157,548)
Depreciation - owned assets	51,949	92,824
Depreciation - assets on finance leases	-	2,635
(Profit)/loss on disposal of fixed assets	(3,569)	770
Auditors' remuneration	22,900	22,000
Rents payable	1,500	3,000
Directors' emoluments	226,492	179,851

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Interest payable on late payment of National Insurance	-	531
Hire purchase	1,392	720
Interest on corporation tax	-	2,006
	1,392	3,257

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
UK corporation tax	613,793	1,474,971
Deferred taxation	485	(12,715)
Tax on profit on ordinary activities	614,278	1,462,256

UK corporation tax has been charged at 30% (2002 - 30%).

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below.

	2003 £	2002 £
Profit on ordinary activities before tax	2,152,647	5,009,064
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	645,602	1,502,719
Effects of:		
Expenses not deductible for tax purposes	3,143	3,041
Capital allowances for the year in excess of depreciation	(21,749)	(30,789)
Profit on disposal of fixed assets	(1,084)	-
Effect of different tax rates applied to the subsidiaries within the group	(12,119)	-
Current tax charge	613,793	1,474,971

7. DIVIDENDS

	2003 £	2002 £
Equity shares:		
Interim - ordinary share	279,422	4,001,323

8. TANGIBLE FIXED ASSETS

GROUP	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Totals
	£	£	£	£	£
COST OR VALUATION					
At 1st May 2002	10,913,555	124,028	159,810	47,911	11,245,304
Additions	27,802	7,034	65,000	755	100,591
Disposals	-	(5,084)	(87,396)	(109)	(92,589)
Surplus on revaluation	346,527	-	-	-	346,527
At 30th April 2003	11,287,884	125,978	137,414	48,557	11,599,833
DEPRECIATION:					
At 1st May 2002	52,700	71,985	150,615	9,329	284,629
Charge for year	17,424	23,806	1,046	9,673	51,949
Eliminated on disposals	-	(4,436)	(21,119)	(2)	(25,557)
At 30th April 2003	70,124	91,355	130,542	19,000	311,021
NET BOOK VALUE:					
At 30th April 2003	11,217,760	34,623	6,872	29,557	11,288,812
At 30th April 2002	10,860,855	52,043	9,195	38,582	10,960,675

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery
	£
COST:	
At 1st May 2002	13,173
Transferred to ownership	(13,173)
At 30th April 2003	-
DEPRECIATION:	
At 1st May 2002	10,978
Transferred to ownership	(10,978)
At 30th April 2003	-
NET BOOK VALUE:	
At 30th April 2003	-
At 30th April 2002	2,195

8. **TANGIBLE FIXED ASSETS (CONTINUED)**

GROUP

Cost or valuation at 30th April 2003 is represented by:

	Freehold property	Investment properties	Totals
	£	£	£
Cost	637,156	8,316,002	8,953,158
Valuation in 2003	-	2,334,726	2,334,726
	637,156	10,650,728	11,287,884

All other asset categories are represented at cost.

The investment properties were valued by Mr W E F Whyte, BSc, FRICS, who is a director of the subsidiary companies which hold the investment properties. The valuation was based on the market value of investment properties at 30th April 2003.

COMPANY	Freehold property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
COST OR VALUATION				
At 1st May 2002	637,156	111,973	159,810	908,939
Additions	-	3,349	65,000	68,349
Disposals	-	(5,084)	(87,396)	(92,480)
At 30th April 2003	637,156	110,238	137,414	884,808
DEPRECIATION:				
At 1st May 2002	52,700	69,073	150,615	272,388
Charge for year	17,424	20,899	1,046	39,369
Eliminated on disposals	-	(4,436)	(21,119)	(25,555)
At 30th April 2003	70,124	85,536	130,542	286,202
NET BOOK VALUE:				
At 30th April 2003	567,032	24,702	6,872	598,606
At 30th April 2002	584,456	42,900	9,195	636,551

8. **TANGIBLE FIXED ASSETS (CONTINUED)**

COMPANY

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery
	£
COST:	
At 1st May 2002	13,173
Transferred to ownership	(13,173)
At 30th April 2003	-
DEPRECIATION:	
At 1st May 2002	10,978
Transferred to ownership	(10,978)
At 30th April 2003	-
NET BOOK VALUE:	
At 30th April 2003	-
At 30th April 2002	2,195

9. **INTANGIBLE FIXED ASSETS**

	Patents and licences
	£
COST:	
At 1st May 2002	120,984
Disposals	(120,984)
At 30th April 2003	-
AMORTISATION:	
At 1st May 2002	100,984
Charge for year	20,000
Estimated on disposal	(120,984)
At 30th April 2003	-
NET BOOK VALUE:	
At 30th April 2003	-
At 30th April 2002	20,000

10. FIXED ASSET INVESTMENTS

	£
COST:	
At 1st May 2002 and 30th April 2003	57,975
NET BOOK VALUE:	
At 30th April 2003	57,975
At 30th April 2002	57,975

	2003 £	2002 £
Unlisted investments	57,975	57,975

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Gatcombe House Properties Limited
Nature of business: Land and property development

Class of shares:	% holding
Ordinary	100.00

Heaton Property Investments Limited
Nature of business: Property investment

Class of shares:	% holding
Ordinary	100.00

Exsan Limited (formerly Sanipor (UK) Limited)
Nature of business: Sewer renovation franchisor

Class of shares:	% holding
Ordinary	100.00

Strand Harbour Securities Limited
Nature of business: Land and property development

Class of shares:	% holding
'A' Ordinary	94.29

All the above subsidiaries have been included in the consolidated accounts.

11. STOCKS AND WORK IN PROGRESS

	2003		2002	
	Group £	Company £	Group £	Company £
Stock	1,349	-	1,979	-
Development projects in progress	102,529	-	1,509,653	-
	103,878	-	1,511,632	-

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003		2002	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	20,000	-	20,000	-
Other debtors	538,444	537,000	710,993	705,131
Prepayments and accrued income	62,619	59,551	67,819	49,499
Amounts owed by subsidiary undertakings	-	3,323,413	-	4,778,369
Deferred tax asset	17,000	17,000	17,000	17,000
	638,063	3,936,964	815,812	5,549,999

13. CURRENT ASSET INVESTMENTS

	2003		2002	
	Group	Company	Group	Company
	£	£	£	£
Listed investments	1,461,188	1,461,188	512,450	512,450

Market value of listed investments at 30th April 2003 - £1,461,188 (2002: £512,450)

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003		2002	
	Group	Company	Group	Company
	£	£	£	£
Finance leases (see note 15)	-	-	1,202	1,202
Other creditors	64,133	-	207,815	-
Taxation and Social Security	180,160	180,160	254,085	254,085
Corporation tax	325,265	66,849	1,217,615	445,451
Accruals and deferred income	217,184	18,195	276,359	22,996
Amounts owed to subsidiary undertakings	-	388,209	-	1,464,631
	786,742	653,413	1,957,076	2,188,365

15. OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2003	2002
	£	£
Gross obligations repayable:		
Within one year	-	1,806
Between one and five years	-	-
	-	1,806
Finance charges repayable:		
Within one year	-	604
Between one and five years	-	-
	-	604
Net obligations repayable:		
Within one year	-	1,202
Between one and five years	-	-
	-	1,202

16. PROVISIONS FOR LIABILITIES AND CHARGES

GROUP

	Deferred tax
	£
Balance at 1st May 2002	4,285
Accelerated capital allowances	485
Balance at 30th April 2003	4,770

The amount for which no provision has been made in respect of deferred taxation, is a follows:

	2003	2002
	£	£
Revaluation of investment properties	492,000	393,000

No provision has been made for the potential tax liability as it relates to properties which the directors intend to retain within the group.

17. OBLIGATIONS UNDER LEASING AGREEMENTS

GROUP

The following payments are committed to be paid within one year:

	Land and Buildings Operating Leases	
	2003	2002
	£	£
Expiring:		
Within one year	-	1,500

The company had no obligations under leasing agreements at 30th April 2003.

18. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2003 £	2002 £
156,602	Ordinary	£1	156,602	156,602

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
139,711	Ordinary	£1	139,711	139,711

19. OTHER RESERVES

GROUP

	Capital Revaluation reserve £	Capital redemption reserve £	Total £
At 1st May 2002	2,171,663	16,891	2,188,554
Surplus on revaluation in the year	346,527	-	346,527
At 30th April 2003	2,518,190	16,891	2,535,081

COMPANY

	Capital redemption reserve £
At 1st May 2002 And 30th April 2003	16,891

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

GROUP

	2003	2002
	£	£
Profit for the financial year	1,538,369	3,546,808
Dividends	(279,422)	(4,001,323)
Surplus on revaluation of investment properties	346,527	930,903
NET ADDITION TO SHAREHOLDERS' FUNDS	1,605,474	476,388
Opening shareholders' funds	16,016,219	15,539,831
CLOSING SHAREHOLDERS' FUNDS	17,621,693	16,016,219
Equity interests	17,621,693	16,016,219

COMPANY

	2003	2002
	£	£
Profit for the financial year	1,907,273	2,283,380
Dividends	(279,422)	(4,001,323)
NET ADDITION TO/(REDUCTION) OF SHAREHOLDERS' FUNDS	1,627,851	(1,717,943)
Opening shareholders' funds	8,659,519	10,377,462
CLOSING SHAREHOLDERS' FUNDS	10,287,370	8,659,519
Equity interests	10,287,370	8,659,519

21. CONTROLLING PARTY

The company is controlled by and is a wholly owned subsidiary of Heaton Consolidated Property Holdings Limited, a company registered in England and Wales. Accounts for that company are available from Heaton House, Cams Estate, Fareham, Hampshire.

22. PROFIT AND LOSS ACCOUNT

In accordance with the exemption allowed by Section 230 of the Companies Act 1985, the holding company has not presented its own profit and loss account. The profit for the year ended 30th April 2003 was £1,907,273 (2002: Profit of £2,283,380).

23. RELATED PARTY DISCLOSURE

During the year the company had the following transactions with Strand Harbour Developments Limited, of which S J H Waring is a non-executive director:

	£
Profit and loss account	
Management charges	77,485
Loan interest	(55,815)
Rent	(25,000)
Balance sheet	
Other debtors	532,000
Prepayments and accrued income	8,883
Accruals and deferred income	(6,371)

Other debtors represents a loan to Strand Harbour Developments Limited, which is repayable at the borrowers discretion within a ten year period commencing 14 December 2000.