

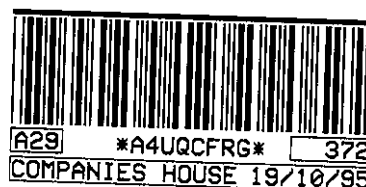
2027226

Horncastle Properties Limited

Report and Accounts

31 March 1995

ERNST & YOUNG



Horncastle Properties Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Horncastle Properties Limited will be held at the registered office of the company at 10.15 am on 27 September 1995 to transact the following business:

1. To receive and adopt the directors' report and the audited accounts for the year ended 31 March 1995.
2. To re-elect Mr A N Horncastle as a director.
3. To re-appoint the auditors.
4. To authorise the directors to fix the remuneration of the auditors.

By order of the Board



N White
Secretary

Unicorn House
Broad Lane
Gilberdyke
North Humberside

12 September 1995

NOTE:

Any member of the company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.

Horncastle Properties Limited

Registered No. 2027226

DIRECTORS

C R Ferris
A N Horncastle
N White

SECRETARY

N White

AUDITORS

Ernst & Young
PO Box 3
Lowgate House
Lowgate
Hull HU1 1JJ

BANKERS

Barclays Bank PLC
Barclays House
10 Market Place
Hull HU1 1RN

REGISTERED OFFICE

Unicorn House
Broad Lane
Gilberdyke
North Humberside

The directors present their report and the audited accounts for the year ended 31 March 1995.

RESULTS AND DIVIDENDS

The profit for the year amounts to £155,114 and has been dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activities of the company are the purchase and sale of land.

The company is active in its search for further suitable sites. In the period since the year end the company has purchased significant land for future development.

DIRECTORS

The directors of the company during the year ended 31 March 1995 were those listed on page 2. In accordance with the articles of association Mr A N Horncastle retires by rotation and offers himself for re-election.

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985, none of the directors had any interest in the share capital of the company. Mr A N Horncastle and Mr N White are directors of the ultimate holding company, Horncastle Group plc, in whose accounts their interests in that company are shown.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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.

Horncastle Properties Limited

DIRECTORS' REPORT

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the Board



N White
Secretary

12 September 1995

REPORT OF THE AUDITORS
to the members of Horncastle Properties Limited

We have audited the accounts on pages 6 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

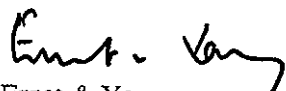
Basis of opinion

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 affairs of the company at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is written over the printed name.

Ernst & Young
Chartered Accountants
Registered Auditor
Hull

12 September 1995

Horncastle Properties Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

	Notes	1995 £	1994 £
TURNOVER	2	582,542	522,625
Operating costs	3	301,313	139,271
OPERATING PROFIT	4	281,229	383,354
Interest receivable	6	-	7,900
Interest payable	7	50,015	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		231,214	391,254
Taxation charge	8	76,100	127,134
PROFIT RETAINED FOR THE FINANCIAL YEAR		155,114	264,120

Movements on retained profits are set out in note 13.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 March 1995

There are no recognised gains and losses other than the profit for the financial year of £155,114 (1994 - £264,120).

Horncastle Properties Limited

BALANCE SHEET

at 31 March 1995

	Notes	1995 £	1994 £
CURRENT ASSETS			
Stock	9	2,309,049	999,222
Debtors	10	-	17,602
Cash at bank	11	-	101,427
		<u>2,309,049</u>	<u>1,118,251</u>
CREDITORS: amounts falling due within one year			
Bank loan	11	977,672	-
Other creditors		103,010	1,706
Amount due to fellow subsidiary undertaking		8,000	-
Amount due to parent undertaking		-	294
Corporation tax		76,136	127,134
		<u>1,164,818</u>	<u>129,134</u>
TOTAL ASSETS LESS LIABILITIES		<u><u>1,144,231</u></u>	<u><u>989,117</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Profit and loss account	13	1,144,229	989,115
EQUITY SHAREHOLDERS' FUNDS		<u><u>1,144,231</u></u>	<u><u>989,117</u></u>

A N Horncastle - Director



12 September 1995

Horncastle Properties Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Stock

Stock is valued at the lower of cost or net realisable value.

2. TURNOVER

Turnover comprises the invoice value of land sold by the company in the United Kingdom. Both operating profit and profit before tax are attributable to the principal continuing activity of the company.

3. OPERATING COSTS

	1995 £	1994 £
(Increase) in stock of land	(1,309,827)	(167,757)
Land purchases	1,606,839	302,607
Other operating charges	4,301	4,421
	<u>301,313</u>	<u>139,271</u>

4. OPERATING PROFIT

This is stated after charging:

	1995 £	1994 £
Auditors' remuneration	1,203	1,308
Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

Certain fees for non-audit services provided by Ernst & Young to the company have been borne by the ultimate holding company. It is not practicable to ascertain what proportion of such fees relates to the company.

5. STAFF NUMBERS

The average number of persons employed by the company during the year, including directors, was as follows:

	1995 No.	1994 No.
Management	<u>3</u>	<u>3</u>

Horncastle Properties Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

6. INTEREST RECEIVABLE

	1995	1994
	£	£
Bank interest	-	7,900

7. INTEREST PAYABLE

	1995	1994
	£	£
Bank loan	50,015	-

8. TAXATION

The charge based on the profit for the year comprises:

	1995	1994
	£	£
UK corporation tax at 33% (1994 - 33%)	76,136	127,134
Adjustments relating to prior years	(36)	-
	76,100	127,134

9. STOCK

Stock comprises land held for resale.

In the opinion of the directors the replacement value of stock exceeds the balance sheet value but the directors are unable to quantify this excess.

10. DEBTORS

	1995	1994
	£	£
Prepayments	-	102
Amounts due from group undertakings	-	17,500
	-	17,602

11. BANK BALANCE

The ultimate holding company, Horncastle Group plc operates a group account with Barclays Bank PLC for all the subsidiary undertakings. The bank loan/bank balance disclosed on page 7 is the company's proportion of the group bank balance.

Horncastle Properties Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

12. CALLED UP SHARE CAPITAL

	<i>Authorised 1995 and 1994 No.</i>	<i>Allotted and fully paid 1995 and 1994 £</i>
Ordinary shares of £1 each	100	2

13. PROFIT AND LOSS ACCOUNT

Movements in retained profits are as follows:

	<i>£</i>
At 31 March 1994	989,115
Profit for the financial year	155,114
At 31 March 1995	1,144,229

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<i>1995 £</i>	<i>1994 £</i>
Profit for the financial year	155,114	264,120
Opening shareholders' funds	989,117	724,997
Closing shareholders' funds	1,144,231	989,117

15. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The company together with Horncastle Group plc and certain fellow subsidiary undertakings has entered into an unlimited guarantee in respect of the net indebtedness of all parties to the guarantee with Barclays Bank PLC. At 31 March 1995 the indebtedness due by the company under the guarantee was £3,342,676 (1994 - £1,500,000).

16. CAPITAL COMMITMENTS

At 31 March 1995 the directors have not authorised any future capital expenditure (1994 - £Nil).

17. GROUP ACCOUNTS

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Horncastle Group plc, registered in England and Wales. Horncastle Group plc is the company's ultimate parent undertaking. Copies of that company's accounts can be obtained from Companies House, Cardiff.