IMPERIAL HOMES LIMITED
Director's Report

The director presents his report and accounts for the year ended 31 March 2004.

Principal activities
The company received rental income from its property stock in the year under review but did not undertake any housing developments.

Business review
The Director was satisfied with the trading results achieved.

Director
The director who served during the year and his interest in the share capital of the company were as follows:

	£1 Ordinary shares	
	2004	2003
K P Hoare	-	-

Director's responsibilities
Company law requires the director 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 for that period. In preparing those accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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
A resolution to reappoint D J Bryant as auditor will be put to the member at the Annual General Meeting.

Small company special provisions
The report of the director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 5 December 2004.

R M Ralf
Secretary

Registered in England and Wales, number 2138321

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IMPERIAL HOMES LIMITED

Independent auditors' report
to the shareholder of IMPERIAL HOMES LIMITED

We have audited the accounts of Imperial Homes Limited for the year ended 31 March 2004 which comprise pages 3 to 6. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 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 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 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 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

D J Bryant
Registered auditor

in association with HAZELL MINSHALL & Co
Clarendon Court
Over Wallop
Stockbridge
Hants SO20 8HU

5 December 2004

IMPERIAL HOMES LIMITED
Profit and Loss Account
for the year ended 31 March 2004

	Notes	2004 £	2003 £
Administrative expenses		(2,907)	(1,092)
Other operating income		7,600	-
Operating profit/(loss)	2	4,693	(1,092)
Profit/(loss) on ordinary activities before taxation		4,693	(1,092)
Tax on profit/(loss) on ordinary activities		-	-
Profit/(loss) for the financial year		4,693	(1,092)
Retained profit/(loss) for the financial year	6	4,693	(1,092)

IMPERIAL HOMES LIMITED
Balance Sheet
as at 31 March 2004

	Notes		2004 £		2003 £
Current assets					
Stocks		110,000		110,000	
Debtors	3	100		100	
		110,100		110,100	
Creditors: amounts falling due within one year	4	(87,332)		(92,025)	
Net current assets			22,768		18,075
Net assets			22,768		18,075
Capital and reserves					
Called up share capital	5		100		100
Profit and loss account	6		22,668		17,975
Shareholder's funds			22,768		18,075

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

K P Hoare
Director
Approved by the board on 5 December 2004

IMPERIAL HOMES LIMITED
Notes to the Accounts
for the year ended 31 March 2004

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover
Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

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

2 Operating profit

	2004 £	2003 £
This is stated after charging:		
Auditors' remuneration	600	600

3 Debtors

	2004 £	2003 £
Other debtors	100	100

4 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	80,061	82,131
Corporation tax	-	1,834
Other creditors	7,271	8,060
	87,332	92,025

5 Share capital

	2004 £	2003 £
Authorised:		
Ordinary shares of £1 each	1,000	1,000

	2004 No	2003 No	2004 £	2003 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100	100	100	100

IMPERIAL HOMES LIMITED
Notes to the Accounts
for the year ended 31 March 2004

6 Profit and loss account

	2004 £	2003 £
At 1 April	17,975	19,067
Retained profit/(loss)	4,693	(1,092)
At 31 March	22,668	17,975

7 Ultimate holding company

The company is Hoare Construction Group Limited, a company registered in England and Wales