

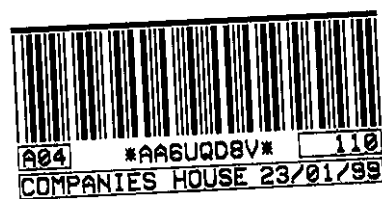
Registered

HATLEY INVESTMENTS RETAIL LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE PERIOD
FROM 3 MARCH 1997 TO 30 JUNE 1998**

REGISTERED NUMBER: 03326721



HATLEY INVESTMENTS RETAIL LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 1998**

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HATLEY INVESTMENTS RETAIL LIMITED

COMPANY INFORMATION
AS AT 30 JUNE 1998

DIRECTORS

P L Hatley
D A Hatley
I P Hatley

SECRETARY

P L Hatley

REGISTERED OFFICE

5 Cornfield Terrace
Eastbourne
East Sussex
BN21 4NN

REGISTERED NUMBER

03326721

BUSINESS ADDRESS

P O Box 2049
Hove
East Sussex
BN3 2AZ

ACCOUNTANTS

Breeze Ralph & Co
Chartered Accountants
5 Cornfield Terrace
Eastbourne
East Sussex
BN21 4NN

SOLICITORS

Woolley Bevis & Diplock
Lanes End House
15 Prince Albert Street
Brighton
BN1 1HY

PRINCIPAL BANKERS

National Westminster Bank plc
153 Preston Road
Brighton
BN1 6BE

PRINCIPAL LENDERS

The General Practice Finance Corporation Limited
Surrey Street
Norwich
NR1 3NJ

HATLEY INVESTMENTS RETAIL LIMITED**ABBREVIATED BALANCE SHEET
AT 30 JUNE 1998**

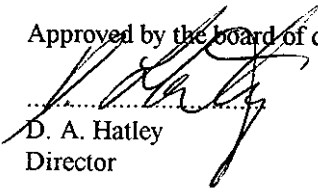
	Notes	£	1998 £
FIXED ASSETS			
Tangible assets	3		600,000
CURRENT ASSETS			
Stocks		110,207	
Debtors		98,854	
Cash at bank and in hand		16,826	
		<u>225,887</u>	
CREDITORS: amounts falling due within one year		<u>(47,194)</u>	
NET CURRENT LIABILITIES			178,693
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>778,693</u>
CREDITORS: amounts falling due after more than one year			<u>(600,000)</u>
NET ASSETS			<u>178,693</u>
CAPITAL AND RESERVES			
Called up share capital	5		90
Revaluation reserve			238,070
Profit and loss account			<u>(59,467)</u>
TOTAL SHAREHOLDERS' FUNDS			<u>178,693</u>

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985. The directors acknowledge their responsibilities for ensuring that:

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 30 June 1998 and of its profit or loss for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Approved by the board of directors on 11th November 98 and signed on its behalf by:


D. A. Hatley
Director

The notes on pages 3 to 5 form part of these financial statements.

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JULY 1997 TO 30 JUNE 1998

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

Turnover

Turnover represents the total rents receivable, insurance and maintenance recharged during the year, net of value added tax.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Investment Properties

In accordance with Statement of Standard Accounting Practice 19 'Accounting for Investment Properties' (SSAP 19) investment properties are revalued annually and any aggregate surplus or deficit arising which is deemed temporary is transferred to the revaluation reserve. Permanent deficits are charged against the profit and loss account. No depreciation is provided in respect of the investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption but for their investment potential, in order to give a true and fair view, they should not be depreciated. If this departure from the Act had not been made, the profit for the financial period would have been reduced by depreciation and the net assets of the company would have reduced accordingly. However, the amount of depreciation is only one of many factors reflected in the annual revaluation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

2. DIVIDENDS PAID OR PROPOSED

The company paid a dividend of £15,000 during the period but it has transpired that the realised reserves at 30 June 1998 were insufficient to meet this distribution. Although this is in contravention of the Companies Act 1985, the directors did not know that dividends were being paid when the company had insufficient reserves as there was an unrealised surplus arising from the revaluation of freehold land and buildings sufficient to cover the dividend payment. The directors are aware that they may be liable to repay the dividend payments.

HATLEY INVESTMENTS RETAIL LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 1997 TO 30 JUNE 1998****3. TANGIBLE FIXED ASSETS**

	Land and buildings £
Cost:	
Additions	361,930
Revaluations	238,070
At 30 June 1998	<u>600,000</u>
Net book value:	
At 30 June 1998	<u><u>600,000</u></u>

4. BORROWINGS

	1998 £
The company's borrowings are repayable by installments as follows	
Between two and five years	42,000
After five years	558,000
	<u>600,000</u>
 Wholly repayable within five years	 <u>42,000</u>
These amounts are secured.	

5. SHARE CAPITAL

	1998 £
Authorised:	
Equity interests:	
100,000 Ordinary shares of £1 each class 1	100,000
	<u> </u>
 Allotted, called up and fully paid:	
Equity interests:	
90 Ordinary shares of £1 each	90
	<u> </u>

During the period the company allotted 90 ordinary shares of £1 each at par for cash.

HATLEY INVESTMENTS RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 1997 TO 30 JUNE 1998**

6. RELATED PARTY DISCLOSURES

During the period the company purchased the freehold property for £220,000, at the property's open market value, from Hatley Investments Limited. The directors of the company are also directors and shareholders of Hatley Investments Limited.

Included in other debtors there was an amount of £93,224 due from the above company. This amount is interest free and fully recoverable.

7. CONTINGENT LIABILITIES

Hatley Investment Medical Centres Limited, a company of which the directors are also directors and shareholders, has provided security by way of charges over its properties in order to secure the loan to the company.