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HATLEY INVESTMENTS RETAIL LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2000**

REGISTERED NUMBER: 03326721



HATLEY INVESTMENTS RETAIL LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000**

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HATLEY INVESTMENTS RETAIL LIMITED

COMPANY INFORMATION
AT 30 JUNE 2000

DIRECTORS

D. A. Hatley
I. P. Hatley

SECRETARY

I.P. Hatley

REGISTERED OFFICE

5 Cornfield Terrace
Eastbourne
East Sussex
BN21 4NN

BUSINESS ADDRESS

P O Box 2049
Hove
East Sussex
BN3 2AZ

ACCOUNTANTS

Graham Ralph & Co
4a Gildredge Road
Eastbourne
East Sussex
BN21 4RL

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

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

DIRECTORS AND THEIR INTERESTS

		Number of Shares	
		2000	1999
P. L. Hatley	Ordinary shares	30	30
D. A. Hatley	Ordinary shares	30	30
I. P. Hatley	Ordinary shares	30	30

P. L. Hatley 20th April 2000

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

By order of the board:

[Signature]

Date: 1 December 2000

HATLEY INVESTMENTS RETAIL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2000**

	Notes	2000 £	1999 £
TURNOVER		62,484	114,028
Cost of sales		648	30,000
GROSS PROFIT		61,836	84,028
Administrative expenses		(36,604)	(28,775)
		25,232	55,253
Non repayable option paid on Eastbourne property		5,000	-
OPERATING PROFIT		30,232	55,253
Investment income and interest receivable		258	178
Interest payable and similar charges	2	(47,391)	(49,719)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(16,901)	5,712
Tax on loss on ordinary activities	3	-	(726)
LOSS FOR THE FINANCIAL YEAR		(16,901)	4,986
Dividends	4	-	(98,500)
ACCUMULATED LOSS FOR THE FINANCIAL YEAR	13	(16,901)	(93,514)

The notes on pages 6 to 10 form part of these financial statements.

HATLEY INVESTMENTS RETAIL LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2000**

	2000	1999
	£	£
Loss for the financial year after taxation	(16,901)	(4,985)
Unrealised movement on revaluation of properties	190,000	-
TOTAL RECOGNISED GAINS RELATING TO THE YEAR	173,099	4,985

The notes on pages 6 to 10 form part of these financial statements.

HATLEY INVESTMENTS RETAIL LIMITED**BALANCE SHEET
AT 30 JUNE 2000**

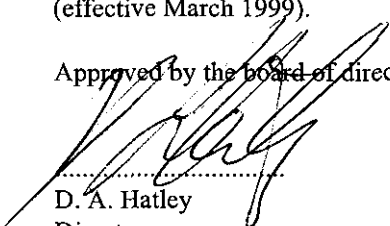
	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	5		775,000		575,000
CURRENT ASSETS					
Stocks		88,076		88,456	
Debtors	6	7,165		43,920	
Cash at bank and in hand		17,181		16,346	
			112,422		148,722
CREDITORS: amounts falling due within one year	7	(32,911)		(38,544)	
NET CURRENT ASSETS			79,511		110,178
TOTAL ASSETS LESS CURRENT LIABILITIES			854,511		685,178
CREDITORS: amounts falling due after more than one year	8		(596,236)		(600,000)
NET ASSETS			258,275		85,178
CAPITAL AND RESERVES					
Called up share capital	11		90		90
Revaluation reserve	12		428,070		238,070
Profit and loss account	13		(169,885)		(152,982)
TOTAL SHAREHOLDERS' FUNDS			258,275		85,178

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 2000 and of its profit or loss for the year 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 financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Approved by the board of directors on 11/12/00 and signed on its behalf by:


D. A. Hatley
Director

The notes on pages 6 to 10 form part of these financial statements.

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

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.

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. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
On bank loans and overdrafts	11	255
On other loans repayable after five years	47,380	49,410
Other interest	-	54
	<u>47,391</u>	<u>49,719</u>

HATLEY INVESTMENTS RETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000****3. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2000 £	1999 £
The taxation charge comprises:		
Corporation tax at 20% (1999 - 20%)	-	726

There are Corporation Tax losses available of £59,699 to offset against profits arising in future years.

4. DIVIDENDS PAID OR PROPOSED

	2000 £	1999 £
On ordinary shares:		
Dividend	-	98,500
	-	98,500

5. TANGIBLE FIXED ASSETS

	Land and buildings £	
Cost:		
At 1 July 1999	575,000	
Additions	10,000	
Revaluations	190,000	
At 30 June 2000	775,000	
Net book value:		
At 30 June 2000	775,000	
At 30 June 1999	575,000	
	2000	1999
	£	£
Analysis of net book value of land and buildings:		
Freehold	775,000	575,000

HATLEY INVESTMENTS RETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000****5. TANGIBLE FIXED ASSETS - (continued)**

During the previous period the property at South Street, Eastbourne was valued by Messrs. Stiles Harold Williams, Chartered Surveyors, on the basis of open market value, subject to the ground floor being let to Multiyork Furniture Ltd and vacant possession of the flats above. The historical cost of the freehold premises included in the above valuation of £600,000 was £361,930. The Directors consider that the valuation of the above property has increased to £775,000 at 30 June 2000.

6. DEBTORS

	2000 £	1999 £
Trade debtors	50	2,454
Other debtors (note 15)	7,115	41,466
	<u>7,165</u>	<u>43,920</u>

7. CREDITORS: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	226	-
Trade creditors	2,325	5,864
Taxation and social security	2,383	4,767
Other creditors (note 15)	27,977	27,912
	<u>32,911</u>	<u>38,543</u>

8. CREDITORS: amounts falling due after more than one year

	2000 £	1999 £
Loans (secured)	<u>596,236</u>	<u>600,000</u>

HATLEY INVESTMENTS RETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000****9. BORROWINGS**

	2000 £	1999 £
The company's borrowings are repayable as follows		
Up to one year and on demand	10,837	-
Between two and five years	56,757	42,000
After five years	528,869	558,000
	<u>596,463</u>	<u>600,000</u>
 Wholly repayable within five years	 <u>56,983</u>	 <u>42,000</u>
 Included in current liabilities	 <u>226</u>	 <u>-</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	Not provided 1999 £	2000 £	Provided 1999 £
Deferred tax is calculated at 20% (1999 - 21%) analysed over the following timing differences:				
On losses for taxation purposes carried forward	(11,940)	(8,868)	-	-
On other timing differences	114,948	69,629	-	-
	<u>103,008</u>	<u>60,761</u>	<u>-</u>	<u>-</u>

11. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
Equity interests:		
100,000 Ordinary shares of £1 each class 1	<u>100,000</u>	<u>100,000</u>
 Allotted, called up and fully paid:		
Equity interests:		
90 Ordinary shares of £1 each	<u>90</u>	<u>90</u>

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

12. REVALUATION RESERVE

	2000 £	1999 £
Balance at 1 July 1999	238,070	238,070
Revaluation during the year	190,000	-
Balance at 30 June 2000	<u>428,070</u>	<u>238,070</u>

13. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Accumulated loss as at 1 July 1999	(152,982)	(59,468)
Loss for the year	(16,903)	(93,514)
Accumulated loss as at 30 June 2000	<u>(169,885)</u>	<u>(152,982)</u>

14. 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.

15. RELATED PARTY DISCLOSURES

Included in other debtors (note 6) there was an amount of £18 (1999: £6,989) due from Hatley Investments Limited and £5,000 (1999: £5,000) due from Hatley Investments Medical Centres Limited. These amounts are interest free and fully recoverable.

Included in other creditors (note 7) there was an amount of £5,000 (1999: £5,000) due to Hatley Investments (Holdings) Limited. This amount is interest free and repayable on demand.