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Company Registration No. 03326721 (England and Wales)

HATLEY INVESTMENTS RETAIL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001



HATLEY INVESTMENTS RETAIL LIMITED

COMPANY INFORMATION

Directors	D. A. Hatley I. P. Hatley
Secretary	I. P. Hatley
Company number	03326721
Registered office	4a Gildredge Road Eastbourne East Sussex Great Britain BN21 4RL
Accountants	Graham Ralph & Co 4a Gildredge Road Eastbourne East Sussex Great Britain BN21 4RL
Business address	PO Box 2049 Hove East Sussex Great Britain BN3 2AZ
Bankers	National Westminster Bank plc 153 Preston Road Brighton East Sussex Great Britain BN1 6BE
Solicitors	Woolley Bevis & Diplock Lands End House, 15 Prince Albert Street Brighton East Sussex Great Britain BN1 1HY

HATLEY INVESTMENTS RETAIL LIMITED

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HATLEY INVESTMENTS RETAIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2001

The directors present their report and financial statements for the year ended 30 June 2001.

Principal activities

The principal activity of the company continued to be that of the renting of properties to retail outlets.

Directors

The following directors have held office since 1 July 2000:

D. A. Hatley

I. P. Hatley

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	30 June 2001	1 July 2000
D. A. Hatley	30	30
I. P. Hatley	30	30

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

On behalf of the board



I. P. Hatley

Director

15-1-2002

HATLEY INVESTMENTS RETAIL LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF HATLEY INVESTMENTS RETAIL LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2001, set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Graham Ralph & Co

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Accountants

4a Gildredge Road
Eastbourne
East Sussex
Great Britain
BN21 4RL

HATLEY INVESTMENTS RETAIL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2001 £	2000 £
Turnover		69,461	62,482
Cost of sales		(2,771)	(648)
Gross profit		66,690	61,834
Administrative expenses		(6,286)	(36,604)
Other operating income		-	5,000
Operating profit	2	60,404	30,230
Other interest receivable and similar income		410	258
Interest payable and similar charges		(54,390)	(47,391)
Profit/(loss) on ordinary activities before taxation		6,424	(16,903)
Tax on profit/(loss) on ordinary activities	3	(124)	-
Profit/(loss) on ordinary activities after taxation	10	6,300	(16,903)

HATLEY INVESTMENTS RETAIL LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2001

	2001	2000
	£	£
Profit/(loss) for the financial year	6,300	(16,903)
Unrealised (deficit)/surplus on revaluation of properties	-	190,000
Total recognised gains and losses relating to the year	<u>6,300</u>	<u>173,097</u>

HATLEY INVESTMENTS RETAIL LIMITED

BALANCE SHEET AS AT 30 JUNE 2001

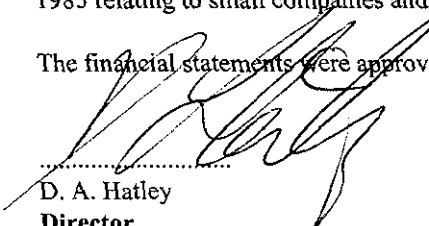
	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	4		620,000		775,000
Current assets					
Stocks		88,076		88,076	
Debtors	5	84,106		7,165	
Cash at bank and in hand		14,608		17,181	
		<u>186,790</u>		<u>112,422</u>	
Creditors: amounts falling due within one year	6	<u>(82,145)</u>		<u>(43,522)</u>	
Net current assets			104,645		68,900
Total assets less current liabilities			<u>724,645</u>		<u>843,900</u>
Creditors: amounts falling due after more than one year	7		<u>(480,115)</u>		<u>(585,625)</u>
			<u>244,530</u>		<u>258,275</u>
Capital and reserves					
Called up share capital	9		90		90
Revaluation reserve	10		408,025		428,070
Profit and loss account	10		(163,585)		(169,885)
Shareholders' funds			<u>244,530</u>		<u>258,275</u>

In preparing these financial statements:

- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These 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 2000).

The financial statements were approved by the Board on 15-1-2002


D. A. Hatley
Director

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents total rents receivable, insurance and maintenance recharged during the year, net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Not depreciated
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Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

2 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Profit on disposal of tangible asset	41,304	-
	<u> </u>	<u> </u>

3 Taxation

	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 10% (2000 - 20%)	124	-
	<u> </u>	<u> </u>

The company has estimated losses of £58,828 (2000 - £59,699) available for carry forward against future trading profits.

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

4 Tangible fixed assets

	Land and buildings £
Cost or valuation	
At 1 July 2000	775,000
Additions	11,000
Revaluation	(20,045)
Disposals	(145,955)
At 30 June 2001	620,000
Depreciation	
At 1 July 2000 & at 30 June 2001	-
Net book value	
At 30 June 2001	620,000
At 30 June 2000	775,000

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 July 2000	346,930
Disposals	(145,955)
At 30 June 2001	221,975
Depreciation based on cost	
At 1 July 2000	-
Charge for the year	-
At 30 June 2001	-
Net book value	
At 30 June 2001	221,975
At 30 June 2000	346,930

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

5	Debtors	2001 £	2000 £
	Trade debtors	2,807	50
	Other debtors	81,299	7,115
		<u>84,106</u>	<u>7,165</u>
6	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank loans and overdrafts	-	226
	Trade creditors	123	2,325
	Taxation and social security	124	2,383
	Other creditors	81,898	38,588
		<u>82,145</u>	<u>43,522</u>
7	Creditors: amounts falling due after more than one year	2001 £	2000 £
	Other creditors	480,115	585,625
		<u>480,115</u>	<u>585,625</u>
	Analysis of loans		
	Not wholly repayable within five years by instalments	422,913	528,868
	Wholly repayable within five years	68,899	67,368
		<u>491,812</u>	<u>596,236</u>
	Included in current liabilities	(11,697)	(10,611)
		<u>480,115</u>	<u>585,625</u>
	Instalments not due within five years	<u>422,913</u>	<u>528,868</u>

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

8 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2001	Not provided 2000	2001	Provided 2000
	£	£	£	£
Other timing differences	119,408	114,948	-	-
Tax losses available	-	(11,940)	-	-
	<u>119,408</u>	<u>103,008</u>	<u>-</u>	<u>-</u>

9 Share capital

	2001	2000
	£	£
Authorised		
100,000 Ordinary of £ 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
90 Ordinary of £ 1 each	<u>90</u>	<u>90</u>

10 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 July 2000	428,070	(169,885)
Retained profit for the year	-	6,300
Revaluation during the year	(20,045)	-
Balance at 30 June 2001	<u>408,025</u>	<u>(163,585)</u>

11 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.

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2001**

12 Related party transactions

Included in other debtors (note 5) there was an amount of £79,202 (2000: £18) due from Hatley Investments Limited and £nil (2000: £5,000) due from Hatley Investments Medical Centres Limited. These amounts are interest free and fully recoverable.

Included in other creditors (note 6) there was an amount of £nil (2000: £5,000) due to Hatley Investments (Holdings) Limited and an amount of £4,956 (2000: £nil) due to Valley Properties Limited. These amounts are interest free and repayable on demand.