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Company Registration No. 03326721 (England and Wales)

HATLEY INVESTMENTS RETAIL LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

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COMPANIES HOUSE 29/07/2006

HATLEY INVESTMENTS RETAIL LIMITED

COMPANY INFORMATION

Directors	Mr D A Hatley Mr I P Hatley
Secretary	Mr 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 2006

The directors present their report and financial statements for the year ended 30 June 2006.

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 2005:

Mr D A Hatley
Mr I P Hatley

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

	Ordinary of £ 1 each	
	30 June 2006	**1 July 2005**
Mr D A Hatley	30	30
Mr I P Hatley	30	30

Directors' responsibilities
Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to:
-select suitable accounting policies and then apply them consistently;
-make judgements and estimates that are reasonable and prudent;
-prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

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



Mr I P Hatley

26-7-2006

HATLEY INVESTMENTS RETAIL LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF HATLEY INVESTMENTS RETAIL LIMITED

In accordance with you instructions, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Hatley Investments Retail Limited for the year ended 30 June 2006, set out on pages 3 to 10 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our work or for this report.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

You have acknowledged on the balance sheet as at 30 June 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

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 2006

	Notes	2006 £	2005 £
Turnover		85,355	82,698
Cost of sales		(567)	(534)
Gross profit		84,788	82,164
Administrative expenses		(32,825)	(44,394)
Operating profit	**2**	51,963	37,770
Other interest receivable and similar income	**3**	192	190
Interest payable and similar charges		(40,703)	(40,792)
Profit/(loss) on ordinary activities before taxation		11,452	(2,832)
Tax *on profit/(loss) on ordinary activities*	**4**	(2,176)	-
Profit/(loss) on ordinary activities after taxation	**10**	9,276	(2,832)

HATLEY INVESTMENTS RETAIL LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2006

	2006 £	2005 £
Profit/(loss) for the financial year	9,276	(2,832)
Unrealised surplus on revaluation of properties	100,000	-
Total recognised gains and losses relating to the year	109,276	(2,832)

HATLEY INVESTMENTS RETAIL LIMITED

BALANCE SHEET
AS AT 30 JUNE 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	**5**		850,000		750,000
Current assets					
Stocks		88,076		88,076	
Debtors	**6**	55,001		57,462	
Cash at bank and in hand		22,755		19,900	
		165,832		165,438	
Creditors: amounts falling due within one year	**7**	(130,178)		(121,712)	
Net current assets			35,654		43,726
Total assets less current liabilities			885,654		793,726
Creditors: amounts falling due after more than one year	**8**		(405,565)		(422,913)
			480,089		370,813
Capital and reserves					
Called up share capital	**9**		90		90
Revaluation reserve	**10**		638,025		538,025
Profit and loss account	**10**		(158,026)		(167,302)
Shareholders' funds			480,089		370,813

HATLEY INVESTMENTS RETAIL LIMITED

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2006

In preparing these financial statements:

(a) 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;

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The directors acknowledge their responsibilities for:

  (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

  (ii) 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 26-7-2006

D A Hatley
Director

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

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 June 2002).

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

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

	2006	2005
	£	£
Operating profit is stated after charging:		
Directors' emoluments	8,769	23,204

3 Investment income

	2006	2005
	£	£
Bank interest	192	190

4 Taxation

	2006	2005
	£	£
Domestic current year tax		
U.K. corporation tax	2,176	-
Current tax charge	2,176	-

The company has estimated losses of £ 27,566 (2005: £ 27,566) available for carry forward against future trading profits.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2006

5 Tangible fixed assets

	Land and buildings
	£
Cost or valuation	
At 1 July 2005	750,000
Revaluation	100,000
At 30 June 2006	850,000
Depreciation	
At 1 July 2005 & at 30 June 2006	-
Net book value	
At 30 June 2006	850,000
At 30 June 2005	750,000

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

	£
Cost	
At 1 July 2005 & at 30 June 2006	211,975
Depreciation based on cost	
At 1 July 2005	-
Charge for the year	-
At 30 June 2006	-
Net book value	
At 30 June 2006	211,975
At 30 June 2005	211,975

6 Debtors

	2006	2005
	£	£
Trade debtors	580	100
Other debtors	54,421	57,362
	55,001	57,462

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2006

7	**Creditors: amounts falling due within one year**	**2006**	**2005**
		£	**£**
	Taxation and social security	2,176	-
	Other creditors	128,002	121,712
		130,178	121,712

8	**Creditors: amounts falling due after more than one year**	**2006**	**2005**
		£	**£**
	Other creditors	405,565	422,913
	Analysis of loans		
	Not wholly repayable within five years by instalments	344,510	344,510
	Wholly repayable within five years	78,403	94,436
		422,913	438,946
	Included in current liabilities	(17,348)	(16,033)
		405,565	422,913
	Instalments not due within five years	344,510	344,510

9	**Share capital**	**2006**	**2005**
		£	**£**
	Authorised		
	100,000 Ordinary of £1 each	100,000	100,000
	Allotted, called up and fully paid		
	90 Ordinary of £1 each	90	90

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2006

10 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 July 2005	538,025	(167,302)
Retained profit for the year	-	9,276
Revaluation during the year	100,000	-
Balance at 30 June 2006	638,025	(158,026)

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.

12 Related party transactions

Included in other debtors (note 6) is an amount of £46,683 (2005: £49,264) due from Hatley Investments Limited and £5,764 (2005: £5,764) due from Hatley Investments Medical Centres Limited. These amounts are interest free and fully recoverable.

Included in other creditors (note 7) is an amount of £67,229 (2005: £53,584) due to Valley Properties (Sussex) Limited.

During the year management fees of £11,739 (2005: £12,189) were paid to Valley Properties (Sussex) Limited.