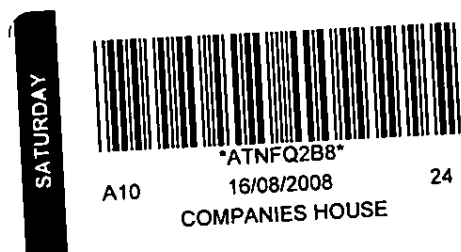


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Company Registration No. 03326721 (England and Wales)

HATLEY INVESTMENTS RETAIL LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008



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 Limited 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 Lanes 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 2008

The directors present their report and financial statements for the year ended 30 June 2008

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 2007

Mr D A Hatley

Mr I P Hatley

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that 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

7-8-2008

HATLEY INVESTMENTS RETAIL LIMITED

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

In accordance with your 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 2008, 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 2008 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 Limited

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 2008

		2008	2007
	Notes	£	£
Turnover		95,886	90,696
Cost of sales		(1,000)	(467)
Gross profit		<u>94,886</u>	<u>90,229</u>
Administrative expenses		(35,875)	(38,952)
Operating profit	2	<u>59,011</u>	<u>51,277</u>
Other interest receivable and similar income	3	242	258
Interest payable and similar charges		(42,211)	(41,907)
Profit on ordinary activities before taxation		<u>17,042</u>	<u>9,628</u>
Tax on profit on ordinary activities	4	(3,398)	(1,853)
Profit for the year	10	<u><u>13,644</u></u>	<u><u>7,775</u></u>

HATLEY INVESTMENTS RETAIL LIMITED

BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	5		850,000		850,000
Current assets					
Stocks		88,076		88,076	
Debtors	6	85,267		72,490	
Cash at bank and in hand		18,792		18,463	
		<u>192,135</u>		<u>179,029</u>	
Creditors: amounts falling due within one year	7	<u>(174,137)</u>		<u>(154,371)</u>	
Net current assets			<u>17,998</u>		<u>24,658</u>
Total assets less current liabilities			<u>867,998</u>		<u>874,658</u>
Creditors: amounts falling due after more than one year	8		<u>(366,486)</u>		<u>(386,795)</u>
			<u>501,512</u>		<u>487,863</u>
Capital and reserves					
Called up share capital	9		90		90
Revaluation reserve	10		638,025		638,025
Profit and loss account	10		<u>(136,603)</u>		<u>(150,252)</u>
Shareholders' funds			<u>501,512</u>		<u>487,863</u>

HATLEY INVESTMENTS RETAIL LIMITED

BALANCE SHEET (CONTINUED)

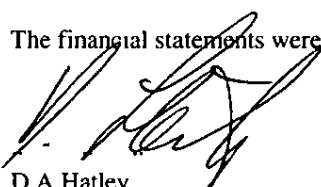
AS AT 30 JUNE 2008

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 7-8-2008



D A Hatley
Director

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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 January 2007)

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	2008	2007
	£	£
Operating profit is stated after charging		
Directors' emoluments	12,752	21,034
	<u> </u>	<u> </u>

3 Investment income	2008	2007
	£	£
Bank interest	239	258
Other interest	3	-
	<u> </u>	<u> </u>
	242	258
	<u> </u>	<u> </u>

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

4	Taxation	2008 £	2007 £
	Domestic current year tax		
	U K corporation tax	3,398	1,853
	Current tax charge	<u>3,398</u>	<u>1,853</u>

The company has estimated losses of £ 27,566 (2007 - £ 27,566) available for carry forward against future trading profits

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

5 Tangible fixed assets

	Land and buildings
	£
Cost or valuation	
At 1 July 2007 & at 30 June 2008	850,000
Depreciation	
At 1 July 2007 & at 30 June 2008	-
Net book value	
At 30 June 2008	850,000
At 30 June 2007	850,000

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

	£
Cost	
At 1 July 2007 & at 30 June 2008	211,975
Depreciation based on cost	
At 1 July 2007	-
Charge for the year	-
At 30 June 2008	-
Net book value	
At 30 June 2008	211,975
At 30 June 2007	211,975

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

6 Debtors	2008	2007
	£	£
Trade debtors	2,848	4,525
Other debtors	82,419	67,965
	<u>85,267</u>	<u>72,490</u>
7 Creditors: amounts falling due within one year	2008	2007
	£	£
Trade creditors	411	-
Taxation and social security	6,384	1,853
Other creditors	167,342	152,518
	<u>174,137</u>	<u>154,371</u>
8 Creditors: amounts falling due after more than one year	2008	2007
	£	£
Other creditors	<u>366,486</u>	<u>386,795</u>
Analysis of loans		
Not wholly repayable within five years by instalments	277,637	295,006
Wholly repayable within five years	109,159	110,559
	<u>386,796</u>	<u>405,565</u>
Included in current liabilities	<u>(20,310)</u>	<u>(18,770)</u>
	<u>366,486</u>	<u>386,795</u>
Instalments not due within five years	<u>277,637</u>	<u>295,006</u>

HATLEY INVESTMENTS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

9	Share capital	2008 £	2007 £
	Authorised		
	100,000 Ordinary of £1 each	100,000	100,000
	Allotted, called up and fully paid		
	90 Ordinary of £1 each	90	90

10	Statement of movements on reserves	Revaluation reserve	Profit and loss account
		£	£
	Balance at 1 July 2007	638,025	(150,247)
	Profit for the year	-	13,644
	Balance at 30 June 2008	638,025	(136,603)

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 £73,069 (2007 £60,750) due from Hatley Investments Limited and £0 (2007 £4,264) 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 £120,393 (2007 £96,540) due to Valley Properties (Sussex) Limited.

During the year management fees of £13,908 (2007 £13,562) were paid to Valley Properties (Sussex) Limited.