Company No. 292531

CHS DEVELOPMENTS LIMITED

DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

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CHS DEVELOPMENTS LIMITED

COMPANY INFORMATION

Director	Mr R C Soans
Secretary	Mr J C Soans
Company number	292531
Registered office	1 Ramsey Road Sydenham Industrial Estste Leamington Spa Warwickshire CV31 1PG
Auditors	Burgis & Bullock 2 Chapel Court Holly Walk Leamington Spa CV32 4YS
Bankers	HSBC Bank PO Box 88 Leamington Spa Warwickshire CV32 4BU

CHS DEVELOPMENTS LIMITED

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CHS DEVELOPMENTS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

The director presents his report and the audited accounts for the company for the year ended 31st December 1999.

Principal activities

The company's principal activity during the year was that of property management.

Director and his interests

Mr R C Soans has served as a director during the year and his interests in the shares of the company are as follows:

Mr Soans is a co-trustee with two other persons in beneficial holdings of 45000 ordinary shares (1998-45000) and 51354 (1998-51354) ordinary shares respectively.

Statement of director's responsibilities

Company law requires the director to prepare accounts 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 for that year. In preparing those accounts the director is required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

CHS DEVELOPMENTS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

Auditors

A resolution to re-appoint Burgis & Bullock Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

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

By order of the Board

Mr R C Soans, Director
Date: 24.7.00

1 Ramsey Road
Sydenham Industrial Estste
Leamington Spa
Warwickshire
CV31 1PG

AUDITORS' REPORT TO THE

SHAREHOLDERS OF CHS DEVELOPMENTS LIMITED

We have audited the accounts on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

Respective responsibilities of director and auditors

As described on page 2 the company's director is responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Burgis & Bullock

Burgis & Bullock
Chartered Accountants and Registered Auditors
2 Chapel Court
Holly Walk
Leamington Spa
CV32 4YS

Date: 24 July 2000

CHS DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	1999	*1998*
		£	*£*
Turnover	2	**441,605**	*425,729*
Administrative expenses		**(339,980)**	*(351,594)*
Operating profit	3	**101,625**	*74,135*
Interest receivable	5	**7,817**	*9,786*
Interest payable and similar charges		**(690)**	*(763)*
Profit on ordinary activities before taxation		**108,752**	*83,158*
Tax on profit on ordinary activities	7	**(27,325)**	*(17,797)*
Profit for the financial year		**81,427**	*65,361*
Dividends	8	**-**	*(80,000)*
Retained profit/loss for the year	16	**81,427**	*(14,639)*

There were no recognised gains or losses for 1999 other than those included in the profit and loss account.

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

CHS DEVELOPMENTS LIMITED

BALANCE SHEET

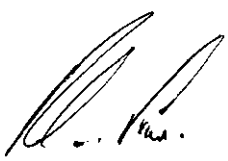
AS AT 31ST DECEMBER 1999

	Notes	£	1999 £	£	*1998 £*
Fixed assets					
Tangible assets			**3,806,098**		*3,841,857*
Current assets					
Stocks	10	**16,188**		*16,188*	
Debtors	11	**101,290**		*82,529*	
Cash at bank and in hand		**261,493**		*165,319*	
		378,971		*264,036*	
Creditors: amounts falling due within one year	12	**(138,556)**		*(140,984)*	
Net current assets			**240,415**		*123,052*
Total assets less current liabilities			**4,046,513**		*3,964,909*
Provisions for liabilities and charges					
Deferred taxation	14		**(200,104)**		*(199,927)*
			3,846,409		*3,764,982*
Capital and reserves					
Share capital	15		**96,354**		*96,354*
Revaluation reserve	16		**1,779,261**		*1,785,119*
Other reserves - equity	16		**9,048**		*9,048*
Profit and loss account	16		**1,961,746**		*1,874,461*
Shareholders' funds	17		**3,846,409**		*3,764,982*

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000)

These accounts were approved by the board on 24.07.00 and signed on its behalf by:

Mr R C Soans
Director



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

CHS DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, with the exception of freehold land, by equal annual instalments over their expected useful lives:

Freehold properties	2%
Motor Vehicles	25%
Plant and equipment	10%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to crystallise.

Defined Contribution pension scheme

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

The operating profit is stated after charging or crediting:	1999 £	*1998 £*
Depreciation of tangible fixed assets:		
-owned assets	**37,322**	*37,898*
Pension contributions	**1,932**	*1,932*
Auditors' remuneration	**2,820**	*2,665*

4 Director's remuneration

	1999 £	*1998 £*
Aggregate emoluments	**129,451**	*129,547*

There is one director accruing benefits under a defined contribution benefit scheme.

5 Interest receivable

	1999 £	*1998 £*
Bank interest receivable	**7,817**	*9,786*

6 Interest payable and similar charges

	1999 £	*1998 £*
Interest payable on bank loans and overdrafts	**690**	*763*

7 Taxation

	1999 £	*1998 £*
Based on the profit for the year:		
UK corporation tax at 20.3% (1998 21%)	**26,415**	*22,109*
Increase in deferred tax provision	**177**	*37*
	26,592	*22,146*
Prior periods		
Under/(over) provision	**733**	*(4,349)*
	27,325	*17,797*

8 Dividends

	1999 £	*1998 £*
Ordinary dividends - paid	**-**	*80,000*
Total equity dividends	**-**	*80,000*

9 Tangible fixed assets

	Freehold land and buildings	Motor vehicles	Furniture and equipment	Total
Cost or valuation	£	£	£	£
At 1st January 1999	3,908,975	15,614	2,309	3,926,898
Additions	-	-	1,563	1,563
At 31st December 1999	**3,908,975**	**15,614**	**3,872**	**3,928,461**
Depreciation				
At 1st January 1999	77,561	6,832	648	85,041
Charge for the year	34,739	2,196	387	37,322
At 31st December 1999	**112,300**	**9,028**	**1,035**	**122,363**
Net book value				
At 31st December 1999	**3,796,675**	**6,586**	**2,837**	**3,806,098**
At 31st December 1998	*3,831,414*	*8,782*	*1,661*	*3,841,857*

The freehold land and buildings were revalued by the director on an open market value basis during 1996.

If freehold land and buildings had not been revalued they would have been included on the historical cost basis at the following amounts:

	31st Dec 1999	*1st Jan 1999*
	£	*£*
Cost	**2,267,040**	*2,267,040*
Cumulative depreciation based on cost	**249,626**	*217,816*

The net book value of the freehold land and buildings based on cost is £2,017,414 (1998 : £2,049,224).

10 Stocks

	1999	*1998*
	£	*£*
Goods for resale	**16,188**	*16,188*

11 Debtors

	1999	*1998*
	£	*£*
Trade debtors	**78,498**	*59,257*
Other debtors	**22,792**	*23,272*
	101,290	*82,529*

12 Creditors: amounts falling due within one year

	1999	*1998*
	£	*£*
Bank loans and overdrafts (Note 13)	**13,105**	*27,738*
Other creditors	**125,451**	*113,246*
	138,556	*140,984*

13 Loans and borrowings

	1999	*1998*
	£	*£*
Analysis of loans		
Bank loans and overdraft	**13,105**	*27,738*
	13,105	*27,738*
Maturity of debt		
In one year or less, or on demand	**13,105**	*27,738*
	13,105	*27,738*

14 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	1999	*1998*
	£	*£*
At 1st January 1999	**199,927**	*199,890*
Movement in the year	**177**	*37*
At 31st December 1999	**200,104**	*199,927*

Deferred taxation provided and unprovided for in the accounts is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 20% (1998 21%).

	Amount provided	
	1999	*1998*
	£	*£*
Accelerated capital allowances	**104**	*(73)*
Other timing differences	**200,000**	*200,000*
	200,104	*199,927*

15 Share capital

	1999	*1998*
	£	*£*
Authorised		
250,000 Ordinary shares of £1 each	**250,000**	*250,000*
16,000 4.2% Cumulative preference shares of £1 each	**16,000**	*16,000*
	266,000	*266,000*
Allotted		
96,354 Allotted, called up and fully paid ordinary shares of £1.00 each	**96,354**	*96,354*
	96,354	*96,354*

16 Reserves

	Revaluation reserve	Other reserves equity	Profit and loss account
	£	£	£
At 1st January 1999	1,782,190	9,048	1,877,390
Profit for the year	-	-	81,427
Transfers between reserves	(2,929)	-	2,929
At 31st December 1999	**1,779,261**	**9,048**	**1,961,746**

17 Reconciliation of movement in shareholders' funds

	1999	*1998*
	£	*£*
Profit for the financial year	**81,427**	*65,361*
Dividends	**-**	*(80,000)*
Increase in the shareholders' funds	**81,427**	*(14,639)*
Opening shareholders' funds	**3,764,982**	*3,779,621*
Closing shareholders' funds	**3,846,409**	*3,764,982*

18 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the director. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £1,932 (1998: £1,932).