Registration Number 292531

CHS DEVELOPMENTS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001



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CHS DEVELOPMENTS LIMITED

COMPANY INFORMATION

Director	R C Soans
Secretary	J C Soans
Company Number	292531
Registered Office	1 Ramsey Road Sydenham Industrial Estate Leamington Spa Warwickshire CV31 1PG
Auditors	Burgis & Bullock 2 Chapel Court Holly Walk Leamington Spa Warwickshire CV32 4YS
Bankers	HSBC Bank plc PO Box 88 Leamington Spa Warwickshire CV32 4BU Britannia Building Society Britannia House Leek Staffordshire
Solicitors	Wright Hassall 9 Clarendon Place Leamington Spa Warwickshire CV32 5QP

CHS DEVELOPMENTS LIMITED

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CHS DEVELOPMENTS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2001

The director presents his report and the financial statements for the year ended 31 December 2001.

Principal Activity

The principal activity of the company is that of property management.

Director and his Interest

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 45,000 £1 ordinary shares (2000: 45,000) and 51,354 (2000: 51,354) £1 ordinary shares respectively.

Charitable and Political Contributions

During the year the company contributed £250 to charities.

Director's Responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is required to:

Select suitable accounting policies and 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 financial statements;

Prepare the financial statements 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 and to enable him to ensure that the financial statements 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Burgis & Bullock be reappointed as auditors of the company will be put to the Annual General Meeting.

CHS DEVELOPMENTS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2001

Small Company Exemptions

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

This report was approved by the Board and signed on its behalf by

R C Soans
Director

Date 13.06.02

1 Ramsey Road
Sydenham Industrial Estate
Leamington Spa
Warwickshire

CHS DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

CHS DEVELOPMENTS LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost conventionas 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 in the Statement of Directors' Responsibilities the company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsilbilty is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 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 Auditor

Holly Walk
Leamington Spa
Warwickshire
CV32 4YS

13 June 2002

CHS DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	*2000 £*
Turnover	2	**449,501**	*416,070*
Cost of sales		**(9,500)**	-
Gross profit		**440,001**	*416,070*
Administrative expenses		**(330,057)**	*(356,300)*
Operating profit	3	**109,944**	*59,770*
Investment income	4	**5,340**	*3,435*
Interest receivable and similar income		**9,506**	*10,173*
Amount written off investments	5	**(18,850)**	*(10,702)*
Interest payable and similar charges	6	**-**	*(332)*
Profit on ordinary activities before taxation		**105,940**	*62,344*
Tax on profit on ordinary activities	9	**(30,588)**	*(16,844)*
Retained profit for the year		**75,352**	*45,500*

There are no recognised gains or losses for the above two financial years other than those included in the profit and loss account.

CHS DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2001

	Notes	£	2001 £	£	2000 £
Fixed Assets					
Tangible assets	10		3,552,138		3,783,848
Investments	11		169,882		-
			3,722,020		3,783,848
Current Assets					
Stocks		-		9,500	
Debtors	12	33,092		87,124	
Investments	13	192,634		86,816	
Cash at bank and in hand		367,949		259,631	
		593,675		443,071	
Creditors: amounts falling due within one year	14	(148,251)		(134,477)	
Net Current Assets			445,424		308,594
Total Assets Less Current Liabilities			4,167,444		4,092,442
Provisions for Liabilities and Charges	15		(200,183)		(200,533)
Net Assets			3,967,261		3,891,909
Capital and Reserves					
Called up share capital	17		96,354		96,354
Revaluation reserve	18		1,773,403		1,776,332
Other reserves	18		9,048		9,048
Profit and loss account	18		2,088,456		2,010,175
Shareholders' Funds			3,967,261		3,891,909

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board and signed on its behalf by

R C Soans
Director

Date 13.06.02

The notes on pages 6 to 12 form an integral part of these financial statements.

1. Accounting Policies

1.1. Accounting convention

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

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight Line over 50 years
Office equipment	-	10% Straight Line
Motor vehicles	-	25% Reducing Balance

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current asset investments are at the lower of cost and net realisable value.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. 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 materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	40,056	38,337
Loss on disposal of tangible fixed assets	-	2,539
Auditors' remuneration	2,780	2,726

4. Income from investments

	2001	2000
	£	£
Income from investments	6,295	1,992
(Loss) / profit on disposal of investments	(955)	1,443
	5,340	3,435

5. Amounts written off investments

	2001	2000
	£	£
Amounts written off fixed asset investments:		
- temporary diminution in value	18,850	-
Amounts written off current asset investments	-	10,702
	18,850	10,702

6. Interest payable and similar charges

	2001	2000
	£	£
On loans and overdrafts	-	332

7. Director's emoluments

	2001	2000
	£	£
Remuneration and other benefits	132,147	129,435
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	1	1

8. Pension costs

The company operates a defined contribution pension scheme in respect of the director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,932 (2000 - £1,932).

9. Taxation

	2001	*2000*
	£	*£*
UK current year taxation		
UK Corporation Tax	**30,938**	*16,434*
Transfer from deferred taxation	**(350)**	*429*
	30,588	*16,863*
Prior years		
UK Corporation Tax	**-**	*(19)*
	30,588	*16,844*

10. Tangible fixed assets

	Freehold land and buildings	Office equipment	Motor vehicles	Total
	£	£	£	£
Cost/revaluation				
At 1 January 2001	3,908,975	3,919	21,551	3,934,445
Additions	-	980	-	980
Transfer to current assets	(200,000)	-	-	(200,000)
At 31 December 2001	**3,708,975**	**4,899**	**21,551**	**3,735,425**
Depreciation				
At 1 January 2001	147,040	1,312	2,245	150,597
Transfer to current assets	(7,366)	-	-	(7,366)
Charge for the year	34,739	490	4,827	40,056
At 31 December 2001	**174,413**	**1,802**	**7,072**	**183,287**
Net book values				
At 31 December 2001	**3,534,562**	**3,097**	**14,479**	**3,552,138**
At 31 December 2000	*3,761,935*	*2,607*	*19,306*	*3,783,848*

The transitional provisions of FRS 15 are being followed and the valuation has not been updated. Freehold land and buildings were revalued by the directors (having sought professional advice) as at 31 December 1996.

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	2001	*2000*
	£	£
Cost	**2,267,040**	*2,267,040*
Depreciation	**313,246**	*281,436*
Net book value	**1,953,794**	*1,985,604*

Freehold land and buildings includes £2,045,636 (2000: £2,171,990) of land which is not being depreciated.

11. Fixed Asset Investments

	Listed Investments	Total
	£	£
Cost		
Transfer from current investments	97,518	97,518
Additions	106,840	106,840
Disposals	(6,609)	(6,609)
At 31 December 2001	**197,749**	**197,749**
Provisions for diminution in value:		
Transfer from current asset investments	10,702	10,702
Movement	18,850	18,850
Disposals	(1,685)	(1,685)
At 31 December 2001	**27,867**	**27,867**
Net book values		
At 31 December 2001	**169,882**	**169,882**
At 31 December 2000	*86,816*	*86,816*

12. Debtors

	2001	*2000*
	£	£
Trade debtors	**9,408**	*62,485*
Other debtors	**5,000**	*10,415*
Prepayments and accrued income	**18,684**	*14,224*
	33,092	*87,124*

Amounts falling due after more than one year and included in debtors are:

Other debtors	-	*10,035*

13. Current asset investments

	2001	*2000*
	£	*£*
Freehold land and buildings	**192,634**	-
Listed investments	-	*86,816*
	192,634	*86,816*
Market valuation of listed investments	-	*92,403*

14. Creditors: amounts falling due within one year

	2001	*2000*
	£	*£*
Bank overdraft	**1,432**	*11,514*
Trade creditors	**6,490**	*6,490*
Corporation tax	**30,938**	*15,680*
Other creditors	**9,375**	*11,307*
Accruals and deferred income	**100,016**	*89,486*
	148,251	*134,477*

15 Provisions for liabilities and charges

	Deferred Taxation (Note 16)	Total
	£	£
At 1 January 2001	200,533	200,533
Movements in the year	(350)	(350)
At 31 December 2001	**200,183**	**200,183**

16. Deferred Taxation

Deferred tax is analysed over the following timing differences:

		Provided
	2001	*2000*
	£	*£*
Accelerated capital allowances	**183**	*533*
Surplus on revaluation of property	**200,000**	*200,000*
	200,183	*200,533*

All deferred tax has been provided for.

Movements on the provision for deferred taxation are:

	2001	*2000*
	£	*£*
At 1 January 2001	**200,533**	*200,104*
Transferred to profit and loss account	**(350)**	*429*
At 31 December 2001	**200,183**	*200,533*

17. Share capital

	2001	*2000*
	£	*£*
Allotted, called up and fully paid		
96,354 Ordinary shares of £1 each	**96,354**	*96,354*

18. Reserves

	Revaluation reserve	Profit and loss account	Capital redemption reserve	Total
	£	£	£	£
At 1 January 2001	1,776,332	2,010,175	9,048	3,795,555
Transfer of realised profit	(2,929)	2,929	-	-
Retained profit for the year	-	75,352	-	75,352
At 31 December 2001	**1,773,403**	**2,088,456**	**9,048**	**3,870,907**

19. Transactions with director

The following director had interest free loans during the year. The movements on these loans are as follows:

	Amount Owing 2001	*2000*	Maximum in year
	£	*£*	£
R C Soans	-	*380*	**380**