Registrars Copy

Company Number: 00759754

Haredon Developments Limited

Financial Statements

for the year ended 30th June 1999

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COMPANIES HOUSE
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11/03/00

Registered Office

Haredon House
London Road
North Cheam
Surrey
SM3 9BS

Directors

D J Gleeson
C W McLellan

Secretary

S L Seymour

Auditors

Brebner Allen & Trapp
The Quadrangle
180 Wardour Street
London
W1V 4LB

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The directors submit their report together with the audited financial statements for the year ended 30th June 1999.

Directors' Statement

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 for that year. 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;

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

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £27,333. After deducting taxation, the profit of £20,124 has been transferred to reserves.

The directors do not recommend a dividend.

Principal Activity and Business Review

The principal activity of the Company during the year was the collection of ground rents on leasehold developments.

The level of rental income and administration costs for the current year are not expected to fluctuate unduly.

Directors

The directors, none of whom is beneficially interested in the shares of the company, who served during the year were as follows:

D J Gleeson
J C Assender (retired 30/6/99)
C W McLellan

In accordance with the Articles of Association, C W McLellan retires by rotation and, being eligible, offers himself for re-election.

The interests of D J Gleeson, J C Assender and C W McLellan in the shares of the ultimate parent company are disclosed in the directors' report of that company.

Auditors

The directors will put a resolution to the members at the annual general meeting to reappoint Brebner, Allen & Trapp as auditors.

On behalf of the Board :



C W McLellan, Director

5th November 1999

We have audited the financial statements on pages 4 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

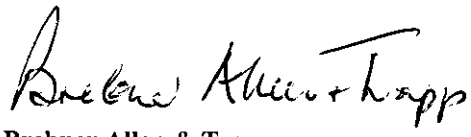
Basis of Opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 30th June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Brebner Allen & Trapp
Chartered Accountants
and Registered Auditors

The Quadrangle
180 Wardour Street
London
W1V 4LB

5th November 1999

Haredon Developments Limited

Profit and Loss Account

for the year ended 30th June 1999

	Notes	1999 £	1998 £
Turnover	2	31,721	30,812
Cost of sales		(2,888)	49,558
Gross profit		28,833	80,370
Administrative expenses		(1,500)	(500)
Operating Profit on ordinary activities before Taxation	3	27,333	79,870
Tax on profit on ordinary activities	4	(7,209)	(23,756)
Profit on ordinary activities after Taxation		20,124	56,113
Retained profit brought forward		363,582	307,469
Retained profit carried forward		383,706	363,582

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Balance Sheet

as at 30th June 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Current Assets					
Stock	5	238,613		241,500	
Debtors	6	148,683		125,255	
		387,296		366,755	
Creditors:					
Amounts falling due within one year	7	(3,490)		(3,074)	
Net Current Assets			383,806		363,681
Capital and Reserves					
Share capital	8		100		100
Profit and loss account	9		383,706		363,582
Shareholders' funds	10		383,806		363,682

These accounts were approved by the board on 13th October 1999.

C W McLellan
Director

The notes on pages 6 to 8 form part of these financial statements.

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Bases of Preparation

As the cashflow statement included in the consolidated accounts of the ultimate parent company complies with the conditions of FRS1 Cashflow Statements, the company is exempt from the requirement to prepare a separate cashflow statement.

Ground Rents

Ground Rents are valued on a consistent basis of 7.5 years purchase.

2 Turnover

The turnover and operating profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating Profit

The operating profit is stated after charging or crediting:

	1999	1998
	£	£
Amounts payable to the auditors in respect of audit services	1,500	500

4 Tax on Profit on Ordinary Activities

	1999	1998
	£	£
Based on the profit for the year:		
U.K. Corporation tax at 20.75% (1998: 21%)	2,490	2,423
Group relief	4,715	21,182
	7,205	23,605
Prior year adjustments	4	151
	7,209	23,756

5 Stocks

	1999	1998
	£	£
Ground rents	238,613	241,500

6 Debtors

	1999	1998
	£	£
Amounts due from parent undertaking and fellow subsidiary undertakings	145,755	124,383
Other debtors	2,928	872
	148,683	125,255

7 Creditors: Amounts falling due within one year

	1999	1998
	£	£
Corporation tax	2,490	2,574
Accruals	1,000	500
	3,490	3,074

8 Share Capital

Authorised

	1999	1998
	£	£
100 Ordinary shares of £1 each	100	100
	100	100

Allotted and fully paid

	1999	1998
	£	£
100 Ordinary shares of £1 each	100	100

9 Reserves

	Profit and Loss Account
	£
At 1st July 1998	363,582
Profit for the year	20,124
At 30th June 1999	383,706

10 Reconciliation of the Movement in Shareholders' Funds

	1999	1998
	£	£
Profit for the financial year	20,124	56,113
Increase in shareholders' funds	20,124	56,113
Opening shareholders' funds	363,682	307,569
Closing shareholders' funds	383,806	363,682

11 Ultimate Parent Undertaking

Haredon Developments Limited is a wholly-owned subsidiary of M J Gleeson Group plc (registered in England and Wales), its ultimate parent company.

A copy of the consolidated accounts of M J Gleeson Group plc may be obtained from the Company Secretary at Haredon House, London Road, North Cheam, Sutton, Surrey SM3 9BS.

12 Related Party Transactions

Control

Control of the company vests in the ultimate parent undertaking as stated above.

Related Party Transactions

Amounts due to group undertakings are aggregated as permitted by FRS 8 and shown in debtors (note 6).

In accordance with FRS 8, "Related Party Transactions", the company has taken advantage of the exemption not to disclose transactions between group undertakings in the year where 90% or more of the voting rights are controlled within the group and the consolidated financial statements in which the results of Haredon Developments Limited are included, are publicly available.