Company Number: 00759754

PROOF

Haredon Developments Limited

Financial Statements

for the year ended 30th June 2001

Haredon Developments Limited

Company Information

Company No: 00759754

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
W1F 8LB

Index

Page No.

The directors submit their report together with the audited financial statements for the year ended 30th June 2001.

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 loss 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 loss on the ordinary activities of the company before taxation amounted to £34,885. After deducting taxation, the deficit of £41,784 has been transferred from 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, neither of whom are beneficially interested in the shares of the company, who served during the year were as follows:

D J Gleeson
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 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

1st November 2001

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 30th June 2001

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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Brebner Allen & Trapp

Brebner Allen & Trapp
Chartered Accountants
and Registered Auditors

The Quadrangle
180 Wardour Street
London
W1F 8LB

1st November 2001

Haredon Developments Limited

Profit and Loss Account

for the year ended 30th June 2001

	Notes	2001 £	2000 £
Turnover	2	27,830	29,857
Cost of sales		(61,215)	(23,476)
Gross (loss)/profit		(33,385)	6,381
Administrative expenses		(1,500)	(2,000)
Operating (Loss)/Profit on ordinary activities before Taxation	3	(34,885)	4,381
Tax on (loss)/profit on ordinary activities	4	(6,899)	(966)
(Loss)/Profit on ordinary activities after Taxation		(41,784)	3,415
Retained profit brought forward		387,121	383,706
Retained profit carried forward		345,337	387,121

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.

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

Balance Sheet

as at 30th June 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Current Assets					
Stock	5	153,923		215,138	
Debtors	6	194,830		174,275	
		348,753		389,413	
Creditors:					
Amounts falling due within one year	7	(3,316)		(2,192)	
Net Current Assets			345,437		387,221
Capital and Reserves					
Share capital	8		100		100
Profit and loss account	9		345,337		387,121
Shareholders' funds	10		345,437		387,221

These accounts were approved by the board on 16th October 2001.

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 (loss)/profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating (Loss)/Profit

The operating (loss)/profit is stated after charging or crediting:

	2001	2000
	£	£
Amounts payable to the auditors in respect of audit services	1,500	2,000

4 Tax on (Loss)/Profit on Ordinary Activities

	2001	2000
	£	£
Based on the (loss)/profit for the year:		
U.K. Corporation tax at 20% (2000: 20%)	2,000	876
Group relief	4,899	-
	6,899	876
Prior year adjustments	-	90
	6,899	966

5 Stocks

	2001	2000
	£	£
Ground rents	153,923	215,138

6 Debtors

	2001	2000
	£	£
Amounts due from parent undertaking and fellow subsidiary undertakings	194,019	172,596
Other debtors	811	1,679
	194,830	174,275

7 Creditors: Amounts falling due within one year

	2001	2000
	£	£
Corporation tax	1,816	692
Accruals	1,500	1,500
	3,316	2,192

8 Share Capital

Authorised	**2001**	2000
	£	£
100 Ordinary shares of £1 each	100	100
	100	100

Allotted and fully paid	**2001**	2000
	£	£
100 Ordinary shares of £1 each	100	100

9 Reserves

	Profit and Loss Account
	£
At 1st July 2000	387,121
Deficit for the year	(41,784)
At 30th June 2001	345,337

10 Reconciliation of the Movement in Shareholders' Funds

	2001	2000
	£	£
(Loss)/Profit for the financial year	(41,784)	3,415
(Decrease)/Increase in shareholders' funds	(41,784)	3,415
Opening shareholders' funds	387,221	383,806
Closing shareholders' funds	345,437	387,221

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.