HAREDON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th JUNE 2006

Company Registration Number 00759754

HAREDON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2006

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HAREDON DEVELOPMENTS LIMITED

COMPANY INFORMATION

The board of directors	E J Lawrie P A H Wallwork
Company secretary	J Baldry
Registered office	Rusint House Harvest Crescent Ancells Business Park Fleet Hampshire GU51 2UG
Auditors	KPMG Audit Plc Chartered Accountants & Registered Auditor 8 Salisbury Square London EC4Y 8BB

HAREDON DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30th JUNE 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th June 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was the collection of ground rents on leasehold developments No leasehold developments are currently held

The company has ceased to trade and is not expected to recommence trade in the foreseeable future

DIRECTORS

The directors who served the company during the year were as follows

C W McLellan
E J Lawrie
T W Massingham

P A H Wallwork was appointed as a director on 1st July 2006
C W McLellan resigned as a director on 1st July 2006
T W Massingham resigned as a director on 24th July 2006

No director had an interest in the share capital of the company during the period

The interests of T W Massingham in the shares of the ultimate parent company are disclosed in the directors' report of that company The other directors who served during the period and their beneficial interests in the share capital of the parent company were as follows

	Ordinary shares of 2p	
	2006	2005
E J Lawrie	18,036	12,754
C W McLellan	8,877	103,624
Share Options		
E J Lawrie	118,383	38,115
C W McLellan	nil	4,880

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed on behalf of the directors

E J Lawrie
Director

Approved by the directors on 12 July 2007

HAREDON DEVELOPMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 30th JUNE 2006

The directors are responsible for preparing the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 its financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

We have audited the financial statements of Haredon Developments Limited for the year ended 30th June 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30th June 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

30 July 2007
London

HAREDON DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30th JUNE 2006

	Note	2006 £	2005 £
TURNOVER		–	–
Administrative expenses		–	–
OPERATING PROFIT		–	–
Interest receivable	3	–	71
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		–	71
Tax on profit on ordinary activities	4	(71)	–
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(71)	71

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

There was no material difference between the historical cost profit and losses and those reported in the profit and loss account

The notes on pages 9 to 12 form part of these financial statements.

HAREDON DEVELOPMENTS LIMITED

BALANCE SHEET

30th JUNE 2006

	Note	2006 £	£	2005 £
CURRENT ASSETS				
Debtors	5	430,491		430,562
CREDITORS: Amounts falling due within one year	6	2,250		2,250
NET CURRENT ASSETS			428,241	428,312
TOTAL ASSETS LESS CURRENT LIABILITIES			428,241	428,312
CAPITAL AND RESERVES				
Called-up equity share capital	9		100	100
Profit and loss account	10		428,141	428,212
SHAREHOLDERS' FUNDS	11		428,241	428,312

These financial statements were approved by the directors on the 12th Aug 2007 and are signed on their behalf by

E J Lawrie
Director

The notes on pages 9 to 12 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

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 requirements to prepare a separate cashflow statement

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Taxation

The tax charge is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation is provided on timing differences at the average rate of corporation tax that is expected to apply in the periods in which the timing differences are expected to reverse

2. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year

3. INTEREST RECEIVABLE

	2006 £	2005 £
Bank interest receivable	–	71

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	-	21
Over/under provision in prior year	71	-
	71	21
Group relief	-	(21)
Total current tax	71	-

4. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	2006	2005
	£	£
Profit on ordinary activities before taxation	-	71
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	-	21
Adjustments to tax charge in respect of previous periods	71	-
Group relief	-	(21)
Total current tax (note 4(a))	71	-

5. DEBTORS

	2006	2005
	£	£
Amounts owed by group undertakings	430,312	430,313
Other debtors	179	249
	430,491	430,562

6. CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Accruals and deferred income	2,250	2,250

7. CONTINGENT LIABILITIES

There are contingent liabilities in respect of actual and potential claims by third parties under contracting and other arrangements entered into during the normal course of business Whilst the outcome of these matters is uncertain, the Directors believe that appropriate provision has been made within the accounts

8 RELATED PARTY TRANSACTIONS

Control of the company vests with the ultimate parent undertaking

Amounts due by or to group undertakings are aggregated as permitted by FRS 8 and shown in debtors (see note 5).

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

9. SHARE CAPITAL

Authorised share capital:

	2006	2005
	£	£
100 Ordinary shares of £1 each	**100**	100

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	**100**	**100**	100	100

10. PROFIT AND LOSS ACCOUNT

	2006	2005
	£	£
Balance brought forward	**428,212**	428,141
(Loss)/profit for the financial year	**(71)**	71
Balance carried forward	**428,141**	428,212

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
(Loss)/Profit for the financial year	**(71)**	71
Opening shareholders' funds	**428,312**	428,241
Closing shareholders' funds	**428,241**	428,312

12. ULTIMATE PARENT COMPANY

Haredon Developments Limited is a wholly-owned subsidiary of Gleeson Properties Ltd (registered in England and Wales) and considers M J Gleeson Group plc (registered in England and Wales) to be its ultimate parent company

A copy of the consolidated accounts of M J Gleeson plc may be obtained from the Company Secretary, Rusint House, Harvest Crescent, Ancells Business Park, Fleet, Hampshire GU51 2UG

The following pages do not form part of the statutory financial statements which are the subject of the Independent auditor's report on page 5

HAREDON DEVELOPMENTS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30th JUNE 2006

	2006 £	2005 £
OVERHEADS	–	–
Interest receivable	–	71
PROFIT ON ORDINARY ACTIVITIES	–	71

	2006	2005
	£	£
INTEREST RECEIVABLE		
Interest receivable	–	71