

COMPANY REGISTRATION NUMBER 556509

H & T PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2004

FELTONS

Chartered Accountants & Registered Auditors
12 Sheet Street
Windsor
Berkshire
SL4 1BG



H & T PROPERTIES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

C Hillier
R E Hillier
R Hillier
V E Hillier
V K Thamman

Company secretary

V K Thamman

Registered office

215 Cardiff Road
Reading
Berkshire
RG1 8HX

Auditors

Feltons
Chartered Accountants
& Registered Auditors
12 Sheet Street
Windsor
Berkshire
SL4 1BG

Bankers

Barclays Bank Plc
60 Queen's Road
Reading
Berkshire
RG1 4XX

Solicitors

Blandy & Blandy
1 Friar Street
Reading
Berkshire
RG1 1DA

H & T PROPERTIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property investment.

DIRECTORS

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

C Hillier
R E Hillier
R Hillier
V E Hillier
V K Thamman

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

DIRECTORS' RESPONSIBILITIES

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 that the financial statements comply with the Companies Act 1985. The directors 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.

AUDITORS

A resolution to re-appoint Feltons as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

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



V K THAMMAN
Company Secretary

Approved by the directors on 31-1-05

H & T PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF H & T PROPERTIES LIMITED

YEAR ENDED 31 MARCH 2004

We have audited the financial statements which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention, as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders 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 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility 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 United Kingdom 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 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.

H & T PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF H & T PROPERTIES LIMITED *(continued)*

YEAR ENDED 31 MARCH 2004

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

12 Sheet Street
Windsor
Berkshire
SL4 1BG

31/01/2005



FELTONS
Chartered Accountants
& Registered Auditors

H & T PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2004**

	Note	2004 £	2003 £
TURNOVER		940,750	926,894
Administrative expenses		(679,180)	(651,402)
Other operating income	2	<u>22,598</u>	<u>147,704</u>
OPERATING PROFIT	3	284,168	423,196
Interest receivable	4	1,545	958
Interest payable and similar charges		<u>(94,920)</u>	<u>(110,642)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		190,793	313,512
Tax on profit on ordinary activities		<u>(46,129)</u>	—
RETAINED PROFIT FOR THE FINANCIAL YEAR		144,664	313,512
Balance brought forward		<u>2,425,302</u>	<u>2,111,790</u>
Balance carried forward		<u>2,569,966</u>	<u>2,425,302</u>

The notes on pages 7 to 10 form part of these financial statements.

H & T PROPERTIES LIMITED

BALANCE SHEET

31 MARCH 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	5	9,054,869	9,057,821
Investments	6	30	30
		<u>9,054,899</u>	<u>9,057,851</u>
CURRENT ASSETS			
Debtors	7	135,983	352,284
Cash at bank		285,493	169,504
		<u>421,476</u>	<u>521,788</u>
CREDITORS: Amounts falling due within one year	8	<u>884,165</u>	<u>938,436</u>
NET CURRENT LIABILITIES		<u>(462,689)</u>	<u>(416,648)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,592,210</u>	<u>8,641,203</u>
CREDITORS: Amounts falling due after more than one year	9	<u>1,479,657</u>	<u>1,673,314</u>
		<u>7,112,553</u>	<u>6,967,889</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	11,000	11,000
Share premium account		9,000	9,000
Revaluation reserve		4,522,587	4,522,587
Profit and loss account		2,569,966	2,425,302
SHAREHOLDERS' FUNDS		<u>7,112,553</u>	<u>6,967,889</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 31-1-05 and are signed on their behalf by:



V K THAMMAN
Director

The notes on pages 7 to 10 form part of these financial statements.

H & T PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been 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 June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% per annum on valuation
Fixtures & Fittings	- 15% per annum reducing balance

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit or reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) which unlike schedule 4 to the Companies Act 1985 does not require depreciation.

Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

2. OTHER OPERATING INCOME

	2004	2003
	£	£
Other operating income	<u>22,598</u>	<u>147,704</u>

Other operating income includes the write back of accumulated service charges paid by tenants of £12,000 (2003: £44,688), the release of dilapidation cost provisions of £nil (2003 : £91,352), the write back of rent overpayment by tenants of £nil (2003 : £11,664), and other items of £10,598 (2003 : £nil).

3. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Depreciation of owned fixed assets	<u>2,952</u>	2,952
Auditors' fees	<u>2,840</u>	<u>2,000</u>

H & T PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

4. INTEREST RECEIVABLE

	2004	2003
	£	£
Bank interest receivable	1,545	933
Other loan interest receivable	—	25
	<u>1,545</u>	<u>958</u>

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Investment property £	Total £
COST OR VALUATION				
At 1 April 2003 and 31 March 2004	<u>138,341</u>	<u>5,809</u>	<u>8,946,102</u>	<u>9,090,252</u>
DEPRECIATION				
At 1 April 2003	27,500	4,931	—	32,431
Charge for the year	<u>2,500</u>	<u>452</u>	<u>—</u>	<u>2,952</u>
At 31 March 2004	<u>30,000</u>	<u>5,383</u>	<u>—</u>	<u>35,383</u>
NET BOOK VALUE				
At 31 March 2004	<u>108,341</u>	<u>426</u>	<u>8,946,102</u>	<u>9,054,869</u>
At 31 March 2003	<u>110,841</u>	<u>878</u>	<u>8,946,102</u>	<u>9,057,821</u>

Commercial investment properties were professionally valued as at 31 March 2000 by Vail Williams Chartered Surveyors. The valuation was carried out on an open market value basis and came to £6,374,000.

The directors consider that the open market value of investment property remains unchanged this year. Residential properties and any commercial property purchased since 31 March 2000 have been valued at original cost. The directors consider that the valuation of such property is similar to open market value.

A full valuation of all investment property will be carried out at the year end 31 March 2005 in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (effective June 2002).

6. INVESTMENTS

	Other Investments Other than Loans £
COST	
At 1 April 2003 and 31 March 2004	<u>30</u>
NET BOOK VALUE	
At 31 March 2004	<u>30</u>
At 31 March 2003	<u>30</u>

H & T PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

7. DEBTORS

	2004	2003
	£	£
Trade debtors	92,719	67,972
Other debtors	43,264	284,312
	<u>135,983</u>	<u>352,284</u>

8. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	202,625	201,567
Corporation tax	46,129	—
Other taxation	18,324	29,011
Other creditors	617,087	707,858
	<u>884,165</u>	<u>938,436</u>

The bank loans and overdraft are secured by a fixed charge over the company's investment properties.

9. CREDITORS: Amounts falling due after more than one year

	2004	2003
	£	£
Bank loans and overdrafts	<u>1,479,657</u>	<u>1,673,314</u>

The bank loans and overdraft are secured by a fixed charge over the company's investment properties.

10. CONTINGENCIES

The company has entered into unlimited cross-guarantees in respect of bank loans and overdraft with its fellow group companies.

11. RELATED PARTY TRANSACTIONS

During the year the company paid management charges of £179,000 (2003: £166,000) to E Hillier and Son (Holdings) Limited, the immediate parent company.

The amount owed to E Hillier and Son (Holdings) Limited as at 31 March 2004 was £376,400 (2003: £140,652).

During the year the company was also charged management charges of £360,000 (2003: £396,000) by Hilliers Engineering Consultants, a partnership which is under the control of the Hillier family. The charges were for property management services. The amount due from Hilliers Engineering Consultants as at 31 March 2004 was £43,264 (2003: £256,057).

During the year the company paid rent of £33,500 (2003: £33,500) to E Hillier and Sons Directors' Pension plan. The amount owed to E Hillier and Sons Directors' Pension plan as at 31 March 2004 was £nil (2003: £5,145).

H & T PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

12. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
11,000 Ordinary shares of £1 each	<u>11,000</u>	<u>11,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>

13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is E Hillier and Son (Holdings) Limited, a company incorporated in England.

In the directors' opinion there is no ultimate controlling party.