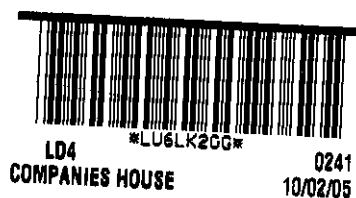


HAREDON DEVELOPMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30th JUNE 2004

Company Registration Number 00759754



BREBNER ALLEN & TRAPP
Chartered Accountants & Registered Auditors
The Quadrangle
180 Wardour Street
London
W1F 8LB

HAREDON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2004

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HAREDON DEVELOPMENTS LIMITED

COMPANY INFORMATION

The board of directors	C W McLellan E J Lawrie T W Massingham
Company secretary	S L Seymour
Registered office	Haredon House London Road North Cheam Surrey SM3 9BS
Auditors	Brebner Allen & Trapp Chartered Accountants & Registered Auditors The Quadrangle 180 Wardour Street London W1F 8LB

HAREDON DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30th JUNE 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th June 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

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

C W McLellan
E J Lawrie
T W Massingham

None of the directors are beneficially interested in the shares of the company.

The interests of C W McLellan and T W Massingham in the shares of the ultimate parent company are disclosed in the directors' report of that company.

The other director who served during the year and his beneficial interest in the share capital of the parent company, as restated for a 5 for 1 share split, was as follows:

	Ordinary shares of 2p	
	2004	2003
E J Lawrie		
Ordinary shares of 2p each	11,110	9,465
Options in ordinary shares	38,115	36,760

HAREDON DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30th JUNE 2004

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 8, 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.

Signed on behalf of the directors



C W McLellan
Director

Approved by the directors on 29th October 2004

HAREDON DEVELOPMENTS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
HAREDON DEVELOPMENTS LIMITED

YEAR ENDED 30th JUNE 2004

We have audited the financial statements on pages 6 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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.

HAREDON DEVELOPMENTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
HAREDON DEVELOPMENTS LIMITED *(continued)***

YEAR ENDED 30th JUNE 2004

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 2004 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
& Registered Auditors

The Quadrangle
180 Wardour Street
London
W1F 8LB

29th October 2004

HAREDON DEVELOPMENTS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30th JUNE 2004**

	Note	2004 £	2003 £
TURNOVER		—	—
Administrative expenses		(2,250)	(1,500)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,250)	(1,500)
Tax on loss on ordinary activities	4	675	20,351
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>(1,575)</u>	<u>18,851</u>

All of the activities of the company are classed as discontinued.

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

HAREDON DEVELOPMENTS LIMITED

BALANCE SHEET

30th JUNE 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Debtors	5	430,491	433,291
CREDITORS: Amounts falling due within one year	6	<u>2,250</u>	<u>3,475</u>
NET CURRENT ASSETS		428,241	429,816
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>428,241</u>	<u>429,816</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	100	100
Profit and loss account	10	428,141	429,716
SHAREHOLDERS' FUNDS	11	<u>428,241</u>	<u>429,816</u>

These financial statements were approved by the directors on the 12th October 2004 and are signed on their behalf by:



C W McLELLAN

HAREDON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2004

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.

2. OPERATING LOSS

Operating loss is stated after charging:

	2004 £	2003 £
Auditors' remuneration - as auditors	<u>2,250</u>	<u>1,500</u>

3. PARTICULARS OF EMPLOYEES

The company had no employees during the year and all directors are employed and remunerated by M J Gleeson Group plc.

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
Corporation tax	—	—
Over/under provision in prior year	—	(19,901)
Group relief	<u>(675)</u>	<u>(450)</u>
Total current tax	<u>(675)</u>	<u>(20,351)</u>

HAREDON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2004

4. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004 £	2003 £
Loss on ordinary activities before taxation	<u>(2,250)</u>	<u>(1,500)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	(675)	(450)
Adjustments to tax charge in respect of previous periods	—	(19,901)
Total current tax (note 4(a))	<u>(675)</u>	<u>(20,351)</u>

5. DEBTORS

	2004 £	2003 £
Amounts owed by group undertakings	430,241	433,112
Other debtors	<u>250</u>	<u>179</u>
	<u>430,491</u>	<u>433,291</u>

6. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Other creditors including taxation:		
Corporation tax	—	1,975
Accruals and deferred income	<u>2,250</u>	<u>1,500</u>
	<u>2,250</u>	<u>3,475</u>

7. ULTIMATE PARENT UNDERTAKING

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 at Haredon House, London Road, North Cheam, Sutton, Surrey SM3 9BS.

HAREDON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2004

8. RELATED PARTY TRANSACTIONS

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

Amounts due 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:

	2004	2003
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10. PROFIT AND LOSS ACCOUNT

	2004	2003
	£	£
Balance brought forward	429,716	410,865
(Accumulated loss)/retained profit for the financial year	<u>(1,575)</u>	<u>18,851</u>
Balance carried forward	<u>428,141</u>	<u>429,716</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
(Loss)/Profit for the financial year	(1,575)	18,851
Opening shareholders' equity funds	<u>429,816</u>	<u>410,965</u>
Closing shareholders' equity funds	<u>428,241</u>	<u>429,816</u>