

Company Number 2113027

HARLEQUIN HOMES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31st MARCH 1995

LEDBURY MARTIN
Chartered Accountants and Registered Auditors
Trowbridge Wiltshire



**AUDITORS' REPORT TO THE DIRECTORS OF HARLEQUIN HOMES LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 4 together with the full statutory accounts of the company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the company is entitled to the exemptions as set out in the directors statement on page 2 and the abbreviated accounts have been properly prepared in accordance with Part III of Schedule 8 to the Companies Act 1985.

On 18th July 1995 we reported to the shareholders on the statutory accounts of the company for the year ended 31st March 1995, prepared under Section 226 of the Companies Act 1985. Our report under Section 235 of the Companies Act 1985 was as follows:

'We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's director is responsible for the preparation of 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 director 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.

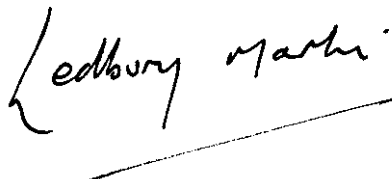
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

LEDBURY MARTIN

Chartered Accountants and Registered Auditors

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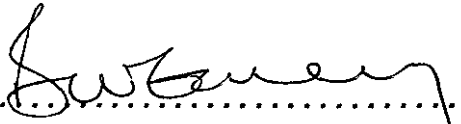


18th July 1995

HARLEQUIN HOMES LIMITED
BALANCE SHEET AS AT 31st MARCH 1995

	Notes	1995 £	£	1994 £	£
FIXED ASSETS					
Tangible assets	2		84,687		78,106
CURRENT ASSETS					
Stock		-		307,600	
Debtors		3,087		50,610	
Cash at bank and in hand		155,083		-	
		<u>158,170</u>		<u>358,210</u>	
Creditors: amounts falling due within one year		<u>6,162</u>		<u>203,053</u>	
NET CURRENT ASSETS			152,008		155,157
			<u>236,695</u>		<u>233,263</u>
Provision for liabilities and charges					
Deferred taxation			993		735
Total assets less current liabilities			<u><u>235,702</u></u>		<u><u>232,528</u></u>
CAPITAL AND RESERVES					
Called up share capital	3		400		400
Profit and loss account			235,302		232,128
			<u>235,702</u>		<u>232,528</u>

The director has taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 and has done so on the grounds that, in his opinion, the company is entitled to those exemptions as a small company.

.....  B.W. EARLEY

18th July 1995

HARLEQUIN HOMES

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

1 ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention and are in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life as follows:

Plant and machinery	- 15% per annum on cost
Motor vehicles	- 20% on reducing balance

No depreciation has been provided in respect of freehold property. As a matter of company policy the freehold property is maintained by a programme of repair and refurbishment, such that the residual value of this property is in the directors opinion consistently equal at least to its book value. Furthermore the freehold property is viewed by the directors as partially an investment property. Having regard to this, it is also the opinion of the directors that depreciation of any such property as required by the Companies Act 1985 and standard accounting practice would not be material.

Stocks

Stocks are stated at the lower of the cost and net realisable value as follows:

Cost

Raw materials and property	- purchase cost plus attributable legal fees
Work in progress	- cost of direct materials and labour plus attributable overheads

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable.

Cash Flow Statements

Financial Reporting Standard Number 1 has been adopted as an accounting policy. The company has taken advantage of the exemptions available to small companies within this standard and has not prepared a cash flow statement.

HARLEQUIN HOMES LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1994

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2 TANGIBLE FIXED ASSETS

	Freehold Property £	Plant and Machinery £	Vehicles £	Total £
Cost				
As at 1st April 1994	67,728	4,609	9,494	81,831
Additions	-	1,699	12,265	13,964
Disposals	-	(4,425)	-	(4,425)
As at 31st March 1995	67,728	1,883	21,759	91,370
Depreciation				
As at 1st April 1994	-	1,352	2,373	3,725
Charge for year	-	281	3,877	4,158
Disposals	-	(1,200)	-	(1,200)
As at 31st March 1995	-	433	6,250	6,683
Net book values				
As at 31st March 1995	67,728	1,450	15,509	84,687
As at 31st March 1994	67,728	3,257	7,121	78,106

3 CALLED UP SHARE CAPITAL

	Authorised		Allotted, Called Up and Fully Paid	
	1995	1994	1995	1994
	£	£	£	£
Ordinary shares of £1 each	400	400	400	400