

ENVIRON (KENT) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2003

Registered Number: 4259484



ENVIRON (KENT) LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2003

CONTENTS	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to financial statements	6 - 8

ENVIRON (KENT) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2003

The directors present their report and the audited financial statements of the company for the year ended 31st December 2003.

REVIEW OF THE BUSINESS

The principal activity of the company is development.

RESULTS

The results for the period are set out on page 4.

DIVIDENDS

The directors do not propose the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the period were as follows:

James B. Sunley
R.W. Gleeson
R.J.S. Tice

James B. Sunley and R.J.S. Tice are directors of the ultimate parent company, Sunley Family Limited. Their interests in the ultimate parent company and its subsidiaries are disclosed in that company's directors' report.

R.W. Gleeson does not have any interest in the company or the ultimate parent company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which 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 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 that 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.

ENVIRON (KENT) LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2003

AUDITORS

The company's auditors haysmacintyre have expressed a willingness to continue in office and a resolution reappointing haysmacintyre will be proposed at the AGM in accordance with S385(2) of the Companies Act 1985.

BY ORDER OF THE BOARD



SUNLEY SECURITIES LIMITED
Secretaries

Registered Office:
20 Berkeley Square
London
W1J 6LH

15 March 2004

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ENVIRON (KENT) LIMITED**

We have audited the financial statements of Environ (Kent) Limited for the year ended 31 December 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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 the company's directors are responsible for 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.

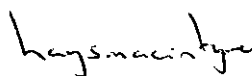
Basis of audit opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


haysmacintyre
Chartered Accountants
Registered Auditors

**Fairfax House
15 Fulwood Place
London
WC1V 6AY**

15 March 2004

ENVIRON (KENT) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2003

	Note	Year ended 31st December 2003 £	Period ended 31st December 2002 £
TURNOVER		2,725,000	-
Cost of sales		(2,417,807)	-
GROSS PROFIT		307,193	-
Administrative expenses		(34,720)	-
OPERATING PROFIT		272,473	-
Net interest payable	2	(794,787)	(256,498)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(522,314)	(256,498)
Taxation	3	-	-
RETAINED LOSS FOR THE YEAR		£(522,314)	£(256,498)

Operating profit is derived wholly from continuing operations.

All recognised gains and losses are disclosed in the profit and loss account for the period.

ENVIRON (KENT) LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Stocks and work in progress	5	9,087,495	5,853,017
Debtors	6	18,490	-
Cash at bank		717,274	1,569
		<u>9,823,259</u>	<u>5,854,586</u>
CREDITORS: amounts falling due within one year	7	<u>(10,601,971)</u>	<u>(6,110,984)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£(778,712)</u></u>	<u><u>£(256,398)</u></u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	8	100	100
PROFIT AND LOSS ACCOUNT		<u>(778,812)</u>	<u>(256,498)</u>
EQUITY SHAREHOLDERS' FUNDS	9	<u><u>£(778,712)</u></u>	<u><u>£(256,398)</u></u>

Approved by the Board on 15 March 2004 and signed on its behalf by:



James B. Sunley
Director

ENVIRON (KENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared on the historical cost basis, and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis assuming that the parent company will continue to provide the necessary facilities to enable the company to continue to trade and meet its liabilities as they fall due.

b) Stocks and work in progress

Property held for development is stated at the lower of cost (which includes costs directly associated with the acquisition and development of the project) and net realisable value.

c) Financial charges

All financial charges including interest payable and arrangement fees are written off as incurred. No interest is capitalised.

d) Turnover

Turnover represents the value of sales of property in the period.

e) Deferred tax

Deferred tax is provided using the full provision method and is recognised in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date.

2. NET INTEREST PAYABLE

	Year ended 31 December 2003 £	Period ended 31 December 2002 £
Interest payable on bank loans	215,301	72,970
Interest payable on loan from parent company	579,486	183,528
	<u>£794,787</u>	<u>£256,498</u>

3. TAXATION

(a) Analysis of charge in the period:

Current tax:

UK Corporation tax on losses for the period

£ -	£ -
-----	-----

(b) Factors affecting tax charge for period:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

ENVIRON (KENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2003

3. TAXATION (continued)	Year ended 31 December 2003 £	Period ended 31 December 2002 £
Loss on ordinary activities before tax	(522,314)	(256,498)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(156,694)	(76,949)
Effects of: Surrender of losses to group	156,694	76,949
Current tax charge for the period	£ -	£ -
4. EMPLOYEES		
The company had no employees during the period. None of the directors received any remuneration from the company during the period.		
5. STOCKS AND WORK IN PROGRESS	2003 £	2002 £
Properties held for development	£9,087,495	£5,853,017
6. DEBTORS		
Other debtors	£18,490	£ -
7. CREDITORS: amounts falling due within one year		
Trade creditors	570,376	-
Accruals and deferred income	436,245	15,229
Amounts due to group undertakings	5,002,231	2,566,525
Bank loan repayable within one year	4,593,119	3,529,230
	£10,601,971	£6,110,984
The loan is secured by a first legal charge over the company's property.		
8. CALLED UP SHARE CAPITAL		
Authorised, issued and fully paid 100 ordinary shares of £1 each	£100	£100

ENVIRON (KENT) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2003**

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Loss for the year	(522,314)	(256,498)
Share capital issued	-	100
	<u>(522,314)</u>	<u>(256,398)</u>
Opening shareholders' funds	(256,398)	-
	<u>(256,398)</u>	<u>-</u>
Closing shareholders' funds	<u>£(778,712)</u>	<u>£(256,398)</u>

10. ULTIMATE PARENT COMPANY

The ultimate parent company is Sunley Family Limited. Sunley Family Limited is also the head of the largest group of companies, of which the company is a member, that prepares group financial statements.

The smallest group of companies, of which the company is a member, that prepares group financial statements is headed by Sunley Holdings PLC.

Group financial statements for Sunley Family Limited and Sunley Holdings PLC are available to the public, on payment of the appropriate fee, from Companies Registration Office, Companies House, Crown Way, Cardiff, CF4 3UZ.