

Signed A/c.s.

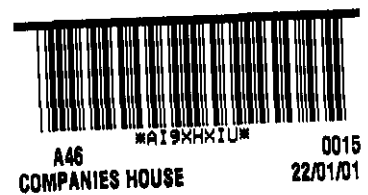
THE SOUTH HILL ESTATES,
HARROW, LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

YEAR ENDED 31 AUGUST 2000



MacINTYRE & CO
CHARTERED ACCOUNTANTS
28 ELY PLACE
LONDON, EC1N 6RL

Company Registered No: 109974

DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2000

DIRECTORS

The Directors during the year were as follows:

A.A. Bishop OBE, MA (Chairman)

Mrs D Dalton

G.D.A. Elgood

C.J. Hayfield Bsc (Econ), FCA (Appointed 3 July 2000)

J.G.A. Irish CBE, Bsc (Econ), FRSA, FIGD

REVIEW OF ACTIVITIES

The company has continued its trading activities of the sale or management of land, buildings and roads in the Harrow area. The final surplus for the year amounts to £42. The income of the company is covenanted to the holding company Orley Farm School Trust.

HOLDING COMPANY

The company is a wholly owned subsidiary of Orley Farm School Trust which is registered in the United Kingdom.

STATEMENT OF 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 and of the profit or loss of the company for that year. 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.

AUDITORS

The auditors MacIntyre & Co have expressed their willingness to continue in office and a resolution to appoint them will be submitted to the Annual General Meeting.

On behalf of the Board



A.A. BISHOP

Chairman

The South Hill Estates, Harrow, Limited
South Hill Avenue
Harrow
Middlesex

6 November 2000

REPORT OF THE AUDITORS

TO THE MEMBERS OF

THE SOUTH HILL ESTATES, HARROW, LIMITED

We have audited the financial statements on pages 3 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 1 the company's directors are 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 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 August 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MacIntyre & Co.

MacINTYRE & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

28 Ely Place
London
EC1N 6RL

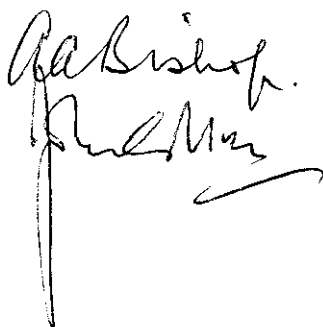
6 November 2000

BALANCE SHEET

31 AUGUST 2000

	2000	1999
	£	£
FIXED ASSETS		
Tangible asset		
Freehold land	100	100
CURRENT ASSETS		
Due from holding company	13,200	8,834
Due from other frontages	1,783	3,905
Sundry debtors and prepayments	-	1,246
Cash at bank	45	37
	<hr/>	<hr/>
	15,028	14,022
CREDITORS - due within one year		
Sundry creditors	1,892	928
	<hr/>	<hr/>
NET CURRENT ASSETS	13,136	13,094
	<hr/>	<hr/>
TOTAL ASSETS	£ 13,236	£ 13,194
	<hr/>	<hr/>
Represented by:		
SHARE CAPITAL		
Authorised		
3,000 shares of £10 each	£ 30,000	£ 30,000
	<hr/>	<hr/>
Issued		
2,095 shares of £10 each fully paid	20,950	20,950
REVENUE ACCOUNT	(7,714)	(7,756)
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	£ 13,236	£ 13,194
	<hr/>	<hr/>

Signed on behalf of the Board



A.A. BISHOP)
) DIRECTORS
 J.G.A. IRISH)

6 November 2000

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 AUGUST 2000

	2000	1999
	£	£
Turnover		
Ground rent and levies	10,631	10,076
Operating costs and road levy costs	10,589	9,985
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Surplus/(Deficit) for the year	42	91
After charging:		
Audit fee	728	728
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	<hr/>	<hr/>
Final surplus/(deficit) for the year	42	91
Accumulated (deficit) brought forward	(7,756)	(7,847)
	<hr/>	<hr/>
Accumulated (deficit) carried forward	£ (7,714)	£ (7,756)
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There were no recognised gains other than the final surplus for the year.

NOTE OF HISTORICAL COST PROFIT AND LOSS

There is no difference between the results as disclosed in the Income and Expenditure Account above and the results on a historical cost basis.

YEAR ENDED 31 AUGUST 2000

ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

a. Accounting convention:

The accounts have been prepared under the historical cost convention.

NOTES TO ACCOUNTS:

1. TAXATION:

No corporation tax has been provided in view of losses brought forward.

2. COVENANT:

By a deed of covenant dated 26 November 1998 the taxable profits of the company for the year are covenanted to Orley Farm School Trust, the holding company. The amount of the covenant may be subsequently adjusted when the taxation computations are agreed.

3. CONTINGENT LIABILITY:

There is a contingent liability which cannot be quantified relating to possible road charges which could arise in future years in the event of roads at present owned by the Company being adopted by the local council.

4. CASH FLOW STATEMENT:

The directors have taken advantage of the provision in Financial Reporting Statement No. 1 not to prepare a cash flow statement.

5. ULTIMATE PARENT COMPANY:

The ultimate parent company and controlling party is Orley Farm School Trust a company registered in England and Wales.

6. RELATED PARTY TRANSACTIONS:

During the year the company received a road levy charge from Orley Farm School to £9,115 (1999: £6,745).