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THE SOUTH HILL ESTATES,
HARROW, LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

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

Company Registered No: 109974



PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 and 5 together with the financial statements of The South Hill Estates, Harrow, Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 1 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to the Act, in respect of the year ended 31 December 1994 and the abbreviated accounts on pages 3 and 5 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 13 March 1995 we reported as auditors of The South Hill Estates, Harrow, Limited to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the period ended 31 December 1994 and our audit report was as follows:-

"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 DIRECTORS 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.

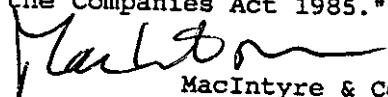
BASIS OF OPINION

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 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."


MacIntyre & Co
Chartered Accountants
Registered Auditors

28 Ely Place
London
EC1N 6RL

13 March 1995

THE SOUTH HILL ESTATES, HARROW, LIMITED

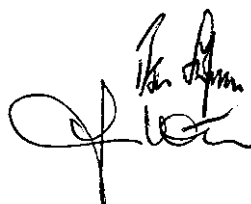
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BALANCE SHEET

31 DECEMBER 1994

	1994	1993
FIXED ASSETS	£	£
Tangible asset		
Freehold land	100	100
CURRENT ASSETS		
Loan to holding company	13,530	14,132
Due from frontages	2,579	3,189
Sundry debtors and prepayments	77	43
Cash at bank	2,063	85
	<u>18,249</u>	<u>17,449</u>
CREDITORS - due within one year		
Sundry creditors	940	940
NET CURRENT ASSETS	17,309	16,509
TOTAL ASSETS	<u>£ 17,409</u>	<u>£ 16,609</u>
Represented by:		
SHARE CAPITAL		
Authorised		
3,000 shares of £10 each	<u>£ 30,000</u>	<u>£ 30,000</u>
Issued		
2,095 shares of £10 each fully paid	20,950	20,950
REVENUE ACCOUNT	(3,541)	(4,341)
	<u>£ 17,409</u>	<u>£ 16,609</u>

Signed on behalf of the Board


 B.J.M. SIMPSON)
 J.M. WHEELER) DIRECTORS
 13 March 1995

We have relied on the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 in preparing these abbreviated accounts on the basis that the criteria for small companies set out in S.247 are satisfied.

YEAR ENDED 31 DECEMBER 1994

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 24 October 1994 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.