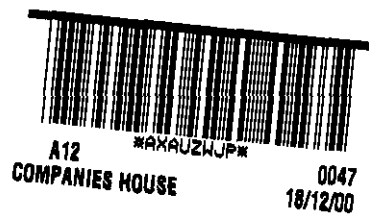


920913

HABITRON LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2000



HABITRON LIMITED

COMPANY INFORMATION

COMPANY NUMBER:	920913
DIRECTORS:	P.W. Hessey R. Scott-White B.S. Hookins E.B. Hessey
SECRETARY:	B.S. Hookins
REGISTERED OFFICE:	42 West Street Carshalton Surrey SM5 2PT

CONTENTS

	<u>Page</u>
Directors' Report	2 - 3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 - 8
Detailed Trading and Profit and Loss Account	9

HABITRON LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 2000.

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 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;
- comply with applicable accounting standards 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 maintaining 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.

REVIEW OF THE BUSINESS

The principal activity of the company continues to be that of property development.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31 March 2000 are set out in the financial statements on pages 4 to 8. The directors do not recommend the payment of any dividend.

HABITRON LIMITED

DIRECTORS AND DIRECTORS' INTERESTS IN SHARES

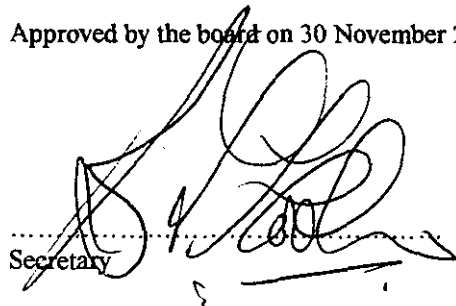
The directors set out in the table below have held office during the whole of the period from 1 April 1999 to the date of this report unless otherwise stated.

The interests of the directors holding office on 31 March 2000 in the shares of the company, according to the register of directors' interests, was as shown below:

	<u>Ordinary shares of £1 each</u>	
	<u>31 March 2000</u>	<u>31 March 1999</u>
P.W. Hessey	52	52
R. Scott-White	21	21
B.S. Hookins	21	21
E.B. Hessey	-	-

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 30 November 2000 and signed on its behalf by:


Secretary

HABITRON LIMITED

PROFIT AND LOSS ACCOUNT For the Year Ended 31 March 2000

	Notes	<u>2000</u> £	<u>1999</u> £
TURNOVER	-	64,750	-
Change in work in progress		<u>(46,035)</u>	-
		18,715	-
Administration costs		(2,716)	(2,035)
Other operating income	4	<u>5,614</u>	<u>18,111</u>
OPERATING PROFIT		21,613	16,076
Interest payable	5	<u>(12,451)</u>	<u>(15,019)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,162	1,057
Tax on ordinary activities		-	-
RETAINED PROFIT FOR THE YEAR		<u>9,162</u>	<u>1,057</u>

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

The profit on ordinary activities before taxation and the retained profit have been calculated on the historical cost basis.

HABITRON LIMITED

BALANCE SHEET at 31 March 2000

	Notes	£	2000	£	£	1999	£
CURRENT ASSETS							
Stocks and work in progress	6	139,465			185,500		
Debtors	7	52,920			108,892		
Cash at bank and in hand		<u>31,144</u>			<u>1,866</u>		
		223,529			296,258		
CREDITORS – Amounts falling due within one year							
	8	<u>(364,222)</u>			<u>(377,122)</u>		
NET CURRENT LIABILITIES				(140,693)			(80,864)
CREDITORS – Amounts falling due after more than one year							
	9			<u>(144,552)</u>			<u>(213,543)</u>
Net liabilities				<u>(285,245)</u>			<u>(294,407)</u>
CAPITAL AND RESERVES							
Called up share capital	10			100			100
Profit and loss account				<u>(285,345)</u>			<u>(294,507)</u>
				<u>(285,245)</u>			<u>(295,407)</u>

For the year ended 31 March 2000 the company was entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. No notice has been deposited with the company under Section 249B(2) of that Act requiring an audit to be carried out.

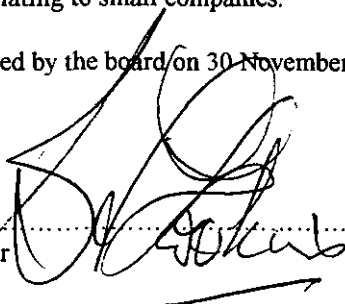
The directors acknowledge their responsibility for:

- ensuring the company keeps accounting records in accordance with Section 221 of the Companies Act 1985; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its profit or loss for that financial year in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to accounts so far as they are applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 30 November 2000 and signed on its behalf by:

Director



HABITRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2000

1. BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis despite the company having significant net liabilities. The directors believe that the company will be able to continue as a going concern as the principal creditors are shareholders (who have indicated that they will not require payment of their outstanding balances until such time as the company has sufficient funds available to do so without affecting its ability to continue trading) and the Halifax Building Society whose loan relates to the major stock property, as indicated in note 6.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover represents the value of property sales excluding value added tax.

(c) Stocks and work in progress

Stocks and work in progress are stated at the lower of costs and net realisable value. Cost consists of materials and direct labour costs, together with an appropriate proportion of overheads.

3. TURNOVER

The company operates in the U.K. and the whole of its turnover is attributable to the U.K. market.

4. OTHER OPERATING INCOME	<u>2000</u> £	<u>1999</u> £
Rent receivable	15,063	21,457
Letting fees	(2,972)	(2,269)
Property expenses	(10,245)	(3,615)
Other income	212	79
Management fee	<u>3,556</u>	<u>2,460</u>
	<u>5,614</u>	<u>18,111</u>

HABITRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2000

5.

	2000	1999
	£	£
Bank loans and overdrafts	3,718	4,775
Mortgage loans	<u>8,733</u>	<u>10,244</u>
	<u>12,451</u>	<u>15,019</u>

6

STOCKS	2000	1999
	£	£
Land and developed properties	139,465	188,500

Stocks have been written down to estimated net realisable value where, in the opinion of the directors, this is less than cost.

7.

DEBTORS	2000	1999
	£	£
Amounts owed by related undertakings	209	209
Other debtors	50,767	107,910
Prepayments	<u>1,944</u>	<u>773</u>
	<u>52,920</u>	<u>108,892</u>

The other debtor represents monies due from a joint venture development and as such is being repaid as the development is sold. One half of the net rental income is included in the company's profit and loss account and the property is included within stocks at £139,645, being one half of the total estimated net realisable value. The company took out a mortgage to finance this development and the entire mortgage liability of £144,552 is included within creditors.

8.

CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2000	1999
	£	£
Bank loans and overdrafts	28,100	40,000
Trade creditors	1,660	1,660
Directors' current accounts	332,809	323,187
Other creditors	<u>1,653</u>	<u>12,275</u>
	<u>364,222</u>	<u>377,122</u>

HABITRON LIMITED

NOTES ON THE FINANCIAL STATEMENTS For the Year Ended 31 March 2000

9.

CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loans	<u>144,552</u>	<u>213,543</u>
Amounts repayable by instalments		
Loans not wholly repayable within five years:		
Repayable within five years	45,000	35,000
Repayable after five years	99,552	178,543

10. SHARE CAPITAL

Authorised, allotted
and fully paid
2000 and 1999

100 Ordinary shares of £1 each 100

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital	Profit & loss account	Total shareholders funds
Balance at 31 March 1998	100	(295,564)	(295,464)
Profit for the period		<u>1,057</u>	<u>1,057</u>
Balance at 31 March 1999	100	(294,507)	(294,407)
Profit for the period		<u>9,162</u>	<u>9,162</u>
Balance at 31 March 2000	<u>100</u>	<u>(285,345)</u>	<u>(285,245)</u>

HABITRON LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT For the Year Ended 31 March 2000

	<u>2000</u>		<u>1999</u>	
	£	£	£	£
Property sales		64,750		-
Change in value of work in progress		(46,035)		-
ADMINISTRATIVE EXPENSES:				
Insurance	2293		1,879	
GENERAL EXPENSES:				
General expenses	7		156	
Audit and accountancy	-		-	
Legal	<u>416</u>		<u>-</u>	
TOTAL OVERHEAD EXPENSES		(2,716)		(2,035)
OTHER OPERATING INCOME				
Rents receivable	15,063		21,457	
Less: Letting fees	(2,972)		(2,270)	
Property expenses	(10,245)		(3,615)	
Other income	212		79	
Management fees	<u>3,556</u>	<u>5,614</u>	<u>2,460</u>	<u>18,111</u>
		21,613		16,076
OTHER EXPENSES				
Interest payable:				
Bank interest	3,718		4,775	
Mortgage loan interest	<u>8,733</u>	<u>12,451</u>	<u>10,244</u>	<u>15,019</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>9,162</u>		<u>1,057</u>