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**HABITRON LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 1998**



## **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

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## **HABITRON LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the financial statements for the year ended 31 March 1998.

### **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 1998 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 1997 to the date of this report unless otherwise stated.

The interests of the directors holding office on 31 March 1998 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 1998</u>	<u>31 March 1997</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 31 December 1998 and signed on its behalf by:

.....  
Secretary



## HABITRON LIMITED

### PROFIT AND LOSS ACCOUNT For the Year Ended 31 March 1998

	Notes	<u>1998</u> £	<u>1997</u> £
TURNOVER	-	-	-
Administration costs		(2,473)	(1,624)
Other operating income	4	<u>16,133</u>	<u>17,444</u>
OPERATING PROFIT		13,660	15,820
Interest payable	5	<u>(15,555)</u>	<u>(14,675)</u>
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,895)	1,145
Tax on ordinary activities		<u>278</u>	-
RETAINED (LOSS) PROFIT FOR THE YEAR		<u>(2,173)</u>	<u>1,145</u>

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

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

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

# HABITRON LIMITED

BALANCE SHEET at 31 March 1998

	Notes	1998	1997
		£	£
<b>CURRENT ASSETS</b>			
Stocks and work in progress	6	185,500	185,500
Debtors	7	110,107	112,927
Cash at bank and in hand		<u>1,112</u>	<u>4,612</u>
		296,719	303,039
<b>CREDITORS –Amounts falling due within one year</b>			
	8	<u>(372,536)</u>	<u>(371,150)</u>
<b>NET CURRENT LIABILITIES</b>		(75,817)	(68,111)
<b>CREDITORS – Amounts falling due after more than one year</b>			
	9	<u>(219,647)</u>	<u>(225,180)</u>
<b>Net liabilities</b>		<u>(295,464)</u>	<u>(293,291)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account		<u>(295,564)</u>	<u>(293,391)</u>
		<u>(295,464)</u>	<u>(293,291)</u>

For the year ended 31 March 1998 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 31 December 1998 and signed on its behalf by:

Director

## HABITRON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 1998

#### 1. BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis despite the company making trading losses and 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>1998</u> £	<u>1997</u> £
Rent receivable	19,745	19,304
Letting fees	(2,263)	(2,146)
Property expenses	(2,295)	(1,644)
Legal expenses	-	-
Management fee	<u>946</u>	<u>1,930</u>
	<u>16,133</u>	<u>17,444</u>

# **HABITRON LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 March 1998

5.	INTEREST PAYABLE AND SIMILAR CHARGES	<u>1998</u> £	<u>1997</u> £
	Bank loans and overdrafts	5,181	5,960
	Mortgage loans	<u>10,374</u>	<u>8,715</u>
		<u>15,555</u>	<u>14,675</u>

6.	STOCKS	<u>1998</u> £	<u>1997</u> £
	Land and developed properties	<u>185,500</u>	<u>185,500</u>

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

7.	DEBTORS	<u>1998</u> £	<u>1997</u> £
	Amounts owed by related undertakings	209	209
	Other debtors	109,536	112,232
	Prepayments	<u>362</u>	<u>486</u>
		<u>110,107</u>	<u>112,927</u>

The other debtor represents monies due from a joint venture development and as such is unlikely to be repaid until such time 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 £185,500, 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 £219,647 is included within creditors.

8.	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1998</u> £	<u>1997</u> £
	Bank loans and overdrafts	51,413	50,028
	Trade creditors	1,660	1,660
	Directors' current accounts	307,187	297,187
	Other creditors	<u>12,276</u>	<u>12,275</u>
		<u>372,536</u>	<u>371,150</u>



# **HABITRON LIMITED**

## **NOTES ON THE FINANCIAL STATEMENTS**

For the Year Ended 31 March 1998

9.	CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1998</u> £	<u>1997</u> £
	Bank loans	<u>219,647</u>	<u>225,180</u>
	Amounts repayable by instalments:		
	Loans not wholly repayable within five years:		
	Repayable within five years	25,000	25,000
	Repayable after five years	<u>194,647</u>	<u>200,180</u>
		<u>219,647</u>	<u>225,180</u>

## 10. SHARE CAPITAL

Authorised, allotted  
and fully paid  
1998 and 1997

100 Ordinary shares of £1 each	<u>100</u>
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## 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital	Profit & loss account	Total shareholders funds
	£	£	£
Balance at 1 April 1996	100	(294,536)	(294,436)
Profit for the period	=	<u>1,145</u>	<u>1,145</u>
Balance at 31 March 1997	100	(293,391)	(293,291)
Loss for the period	=	<u>(2,173)</u>	<u>(2,173)</u>
Balance at 31 March 1998	<u>100</u>	<u>(295,564)</u>	<u>(295,464)</u>

# HABITRON LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT For the Year Ended 31 March 1998

	£	<u>1998</u>	£	£	<u>1997</u>	£
ADMINISTRATIVE EXPENSES:						
Insurance	2,375			1,303		
GENERAL EXPENSES:						
General expenses	98			321		
Audit and accountancy	-			-		
Professional subscriptions	-			-		
TOTAL OVERHEAD EXPENSES			<u>(2,473)</u>			<u>(1,624)</u>
			(2,473)			(1,624)
OTHER OPERATING INCOME						
Rents receivable	19,745			19,304		
Less: Letting fees	(2,263)			(2,146)		
Property expenses	(2,295)			(1,644)		
Legal expenses	-			-		
Management fees	<u>946</u>		<u>16,133</u>	<u>1,930</u>		<u>17,444</u>
			13,660			15,820
OTHER EXPENSES						
Interest payable:						
Bank interest	5,181			5,960		
Mortgage loan interest	<u>10,374</u>		<u>15,555</u>	<u>8,715</u>		<u>14,675</u>
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>(1,895)</u>			<u>1,145</u>