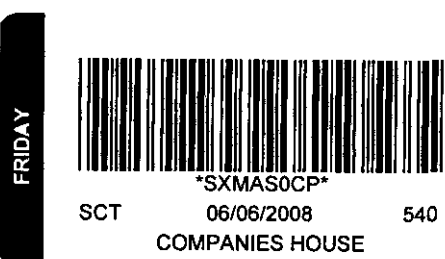


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H AND K ESTATES LIMITED

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H AND K ESTATES LIMITED

INDEPENDENT AUDITORS' REPORT TO H AND K ESTATES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of H and K Estates Limited for the year ended 31 October 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Springfords LLP

Springfords LLP

27 May 2008

Chartered Accountants
Registered Auditors

Dundas House
Westfield Park
Eskbank
Edinburgh
EH22 3FB

H AND K ESTATES LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 OCTOBER 2007

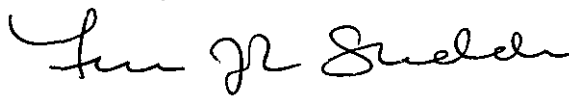
	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	2	3,214,327		2,631,026	
Investments	2	1,354,074		1,119,196	
		<u>4,568,401</u>		<u>3,750,222</u>	
Current assets					
Debtors		753,302		511,321	
Cash at bank and in hand		63,171		273,787	
		<u>816,473</u>		<u>785,108</u>	
Creditors' amounts falling due within one year	3	<u>(246,364)</u>		<u>(149,596)</u>	
Net current assets		<u>570,109</u>		<u>635,512</u>	
Total assets less current liabilities		<u>5,138,510</u>		<u>4,385,734</u>	
Creditors' amounts falling due after more than one year	4	(865,449)		(409,565)	
Provisions for liabilities		<u>(10,721)</u>		<u>(9,627)</u>	
		<u>4,262,340</u>		<u>3,966,542</u>	
Capital and reserves					
Called up share capital	5	2,000		2,000	
Share premium account		571,154		571,154	
Revaluation reserve		193,778		193,778	
Profit and loss account		3,495,408		3,199,610	
Shareholders' funds		<u>4,262,340</u>		<u>3,966,542</u>	

These abbreviated 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 and authorised for issue on 26 May 2008



Thomas Abraham
Director



Fiona Sheldon
Director

H AND K ESTATES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents the amount of rents, feu duties charged and sums received in respect of the sale or waiver of rights

Turnover included from 5 April 2004, the recharge cost of management and administration services to a number of other entities

1.4 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	10% / 20% straight line
Motor vehicles	25% reducing balance

Investment properties are included in the balance sheet at their open market value

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for Investment Properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

Land and buildings and moveable property are reviewed annually for impairment and the directors are of the opinion that their useful economic lives and residual values are such that any depreciation would not be material.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

H AND K ESTATES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

2 Fixed assets

	Tangible assets £	Investments £	Total £
Cost or valuation			
At 1 November 2006	2,676,875	1,123,097	3,799,972
Additions	632,114	878,139	1,510,253
Disposals	(44,582)	(618,013)	(662,595)
At 31 October 2007	3,264,407	1,383,223	4,647,630
Depreciation			
At 1 November 2006	45,849	3,901	49,750
On disposals	(21,375)		(21,375)
Charge for the year	25,606	25,248	50,854
At 31 October 2007	50,080	29,149	79,229
Net book value			
At 31 October 2007	3,214,327	1,354,074	4,568,401
At 31 October 2006	2,631,026	1,119,196	3,750,222

The market value of listed investments dealt with on a recognised stock exchange at 31 October 2007 was £1,448,297 (2006 £1,353,271)

3 Creditors amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £70,876 (2006 £26,502)

4 Creditors amounts falling due after more than one year

The aggregate amount of creditors for which security has been given amounted to £865,449 (2006 £409,565)

5 Share capital

	2007 £	2006 £
Authorised		
20,000 Ordinary shares of 50p each	10,000	10,000
Allotted, called up and fully paid		
4,000 Ordinary shares of 50p each	2,000	2,000