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**FOLKESTONE DEVELOPMENT COMPANY LIMITED**

**ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1996**

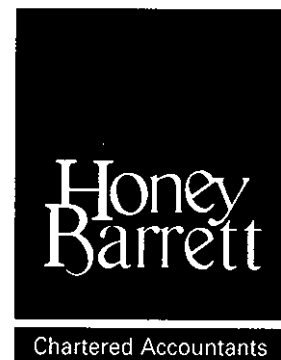
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Registered office : The Old Coach House  
Sandling Road Hythe Kent CT21 4HG

Company No: 1690598



55 Gildredge Road, Eastbourne  
East Sussex, BN21 4SF

# FOLKESTONE DEVELOPMENT COMPANY LIMITED

## DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 April 1996.

### Directors

The directors who served during the year and their beneficial interests in the issued share capital of the company were as follows:

	Ordinary shares of £1 each	
	30 April 1996	1 May 1995
R A Kingston	82	82
Mrs B A Kingston	6	6
D R Kingston	6	6
Miss E J Kingston	6	6

No rights to subscribe for any shares or debentures of the company were granted or exercised during the year.

### Directors' responsibilities

Company law requires the directors to prepare, for each financial year, accounts 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the accounts 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 which enable them to ensure that the accounts 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.

### Principal activity

The company's principal activity was that of property development.

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**FOLKESTONE DEVELOPMENT COMPANY LIMITED**

**DIRECTORS' REPORT**

**Auditors**

A resolution to re-appoint Honey Barrett as auditors will be put to the members at the Annual General Meeting.

**Small company exemptions**

In preparing this report, the directors have taken advantage of special exemptions available to small companies.

Signed on behalf of the board

A handwritten signature in cursive script, appearing to read 'R A Kingston'.

R A Kingston

Director

This report was approved by the board on 22 November 1996

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**FOLKESTONE DEVELOPMENT COMPANY LIMITED**

**AUDITORS' REPORT  
TO THE MEMBERS OF FOLKESTONE DEVELOPMENT COMPANY LIMITED**

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

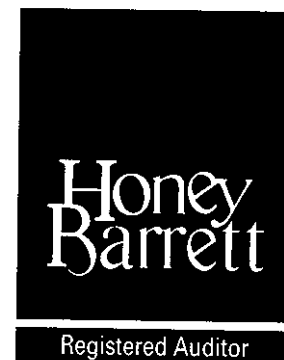
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Dated: 22 November 1996



**FOLKESTONE DEVELOPMENT COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH APRIL 1996**

Notes	1996	1995
1 <b>Turnover</b>	<b>1,201,850</b>	<b>740,269</b>
Cost of sales	<b>884,379</b>	<b>613,769</b>
<b>Gross profit</b>	<b>317,471</b>	<b>126,500</b>
Administrative expenses	<b>79,165</b>	<b>55,417</b>
	<b>238,306</b>	<b>71,083</b>
Other operating income	<b>3,200</b>	<b>-</b>
2 <b>Operating profit</b>	<b>241,506</b>	<b>71,083</b>
Profit on sale of fixed assets	<b>163</b>	<b>-</b>
	<b>241,669</b>	<b>71,083</b>
Interest receivable and similar income	<b>35</b>	<b>-</b>
	<b>241,704</b>	<b>71,083</b>
Interest payable and similar charges	<b>36,404</b>	<b>27,733</b>
<b>Profit on ordinary activities before taxation</b>	<b>205,300</b>	<b>43,350</b>
Tax on profit on ordinary activities	<b>56,764</b>	<b>10,433</b>
<b>Retained profit for the financial year</b>	<b>148,536</b>	<b>32,917</b>
<b>Retained profit/(loss) brought forward</b>	<b>29,859</b>	<b>(3,058)</b>
<b>Retained profit carried forward</b>	<b>£ 178,395</b>	<b>£ 29,859</b>

The Profit and Loss Account contains all the gains and losses recognised in the current and preceding year and the profit retained in these years represents the only movement in shareholders' funds.

All disclosures in the profit and loss account relate only to continuing operations.

The notes on pages 6 to 9 form part of these accounts.

**FOLKESTONE DEVELOPMENT COMPANY LIMITED**

**BALANCE SHEET AT 30 APRIL 1996**

Notes	1996	1995
	<b>Fixed assets</b>	
3	Tangible assets	20,508
	<b>Current assets</b>	
4	Stocks	532,657
5	Debtors	15,880
	Cash at bank and in hand	-
	<b>1,097,172</b>	<b>548,537</b>
6	<b>Creditors:</b> amounts falling due within one year	187,196
	<b>Net current assets</b>	<b>361,341</b>
	<b>Total assets less current liabilities</b>	<b>381,849</b>
8	<b>Creditors:</b> amounts falling due after more than one year	351,890
	<b>£ 178,495</b>	<b>£ 29,959</b>
	<b>Capital and reserves</b>	
10	Called up share capital	100
	Profit and loss account	29,859
11	<b>Shareholders' funds</b>	<b>£ 29,959</b>

The notes on pages 6 to 9 form part of these accounts.

In preparing these accounts, the directors have taken advantage of special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985.

Signed on behalf of the board

*R A Kingston*

R A Kingston

Director

These accounts were approved by the board on 22 November 1996

# FOLKESTONE DEVELOPMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1996

### 1 Accounting policies

#### Basis of accounting

The accounts have been prepared under the historical cost convention.

#### Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

#### Tangible fixed assets

Depreciation is provided to write off the cost less estimated residual value of all tangible fixed assets, over their expected useful lives as follows:

Office equipment	- 15 per cent - reducing balance method
Plant and machinery	- 25 per cent - reducing balance method
Motor vehicles	- 25 per cent - reducing balance method

A full years depreciation is charged in the year of acquisition and none in the year of disposal.

#### Valuation of stocks and work in progress

Stocks and work in progress are valued at the lower of cost, including relevant construction overheads, and net realisable value. Cost is calculated on a first in first out basis.

#### Turnover

Turnover represents the invoiced amount of goods and services supplied to customers in the normal course of business. It is stated exclusive of valued added tax and sales of fixed assets.

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2	Operating profit	1996	1995
	Operating profit is stated after accounting for the following:		
	Directors' emoluments including pension contributions paid and estimated benefits in kind	30,806	4,788
	Depreciation (note 3)	5,308	5,425
	Auditors' remuneration	800	700
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**FOLKESTONE DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30TH APRIL 1996**

<b>6</b>	<b>Creditors:</b> amounts falling due within one year	<b>1996</b>	<b>1995</b>
	Bank overdraft (secured)	-	17,964
	Trade creditors	23,406	15,595
	Corporation tax (note 7)	56,764	10,433
	Other taxes and social security costs	12,757	6,924
	Directors' accounts	11,031	5,224
	Other creditors	467,906	126,000
	Accruals and deferred income	26,853	5,056
		<u>£ 598,717</u>	<u>£ 187,196</u>

Included in Other Creditors is a loan of £400,000 from Kingston Friendly Society, of which Mr. R.A. and Mrs. B.A. Kingston are members.

<b>7</b>	<b>Corporation tax</b>	<b>1996</b>	<b>1995</b>
	U.K. corporation tax payable 1 February 1997	<u>£ 56,764</u>	<u>£ 10,433</u>

<b>8</b>	<b>Creditors:</b> amounts falling due after more than one year	<b>1996</b>	<b>1995</b>
	Directors' loan accounts	<u>£ 351,890</u>	<u>£ 351,890</u>

<b>9</b>	<b>Secured creditors</b>	<b>1996</b>	<b>1995</b>
	The total amounts secured are as follows:		
	Bank loans and overdraft	<u>£ -</u>	<u>£ 17,964</u>



**FOLKESTONE DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30TH APRIL 1996**

<b>10</b>	<b>Share capital</b>	<b>1996</b>	<b>1995</b>
	<b>Authorised</b>		
	100 ordinary shares of £1 each	£ 100	£ 100
	<b>Allotted, called up and fully paid</b>		
	100 ordinary shares of £1 each	£ 100	£ 100
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<b>11</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>1996</b>	<b>1995</b>
	Profit for the financial year	148,536	32,917
	Shareholders' funds brought forward	29,959	(2,958)
	Shareholders' funds carried forward	£ 178,495	£ 29,959
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