

John Walker Developments Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2000

REGISTRAR OF COMPANIES



Company Number 2646033

John Walker Developments Limited

DIRECTORS AND OFFICERS

DIRECTORS

HC Boucher
JRC Boucher
JV Walker
PD Norman

Chairman

SECRETARY

PD Norman

COMPANY NUMBER

2646033 (England and Wales)

REGISTERED OFFICE

152 Staplehurst Road
Sittingbourne
Kent ME10 1XS

AUDITORS

Baker Tilly
Chartered Accountants
2 Newman Road
Bromley
Kent BR1 1RJ

John Walker Developments Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of John Walker Developments Limited for the year ended 31 March 2000.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was house building.

REVIEW OF THE BUSINESS

As forecast, sales and profitability decreased during the year. Due to the nature of our current sites and their various stages of production, sales and profitability are expected to rise during the year to 31 March 2001.

RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £138,000.

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office since 1 April 1999:

HC Boucher Chairman
JRC Boucher
JV Walker
PD Norman

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £1 each</i>	
	2000	1999
HC Boucher	2,500,000	2,500,000
JRC Boucher	-	-
JV Walker	-	-
PD Norman	-	-


AUDITORS

Binder Hamlyn, Chartered Accountants, resigned as auditors during the year and the directors appointed Baker Tilly, Chartered Accountants, in their place. A resolution to formally elect Baker Tilly as auditors will be put to the members at the annual general meeting.

By order of the board

PD Norman

Secretary


19th December 2000

Baker Tilly

John Walker Developments Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires 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, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 keeping 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF JOHN WALKER DEVELOPMENTS LIMITED

We have audited the financial statements on pages 5 to 14.

Respective responsibilities of directors and auditors

As described on page 3 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 at 31 March 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor
Chartered Accountants
2 Newman Road
Bromley
Kent BR1 1RJ

19 December 2000

John Walker Developments Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2000

	<i>Notes</i>	2000 £000	1999 £000
TURNOVER	1	4,145	5,107
Other operating expenses (net)	2	(4,258)	(4,769)
OPERATING (LOSS)/PROFIT		<u>(113)</u>	<u>338</u>
Interest payable	3	(83)	(49)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(196)</u>	<u>289</u>
Taxation	5	58	(92)
RETAINED (LOSS)/PROFIT FOR THE YEAR	11	<u>(138)</u>	<u>197</u>

The operating loss for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

John Walker Developments Limited

BALANCE SHEET

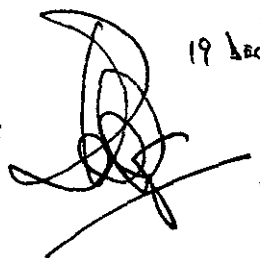
31 March 2000

	Notes	2000 £000	1999 £000
FIXED ASSETS			
Tangible assets	6	134	126
CURRENT ASSETS			
Property in the course of development		5,060	4,295
Debtors	7	228	33
		<u>5,288</u>	<u>4,328</u>
CREDITORS: Amounts falling due within one year	8	(1,802)	(1,652)
NET CURRENT ASSETS		<u>3,486</u>	<u>2,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,620</u>	<u>2,802</u>
CREDITORS: Amounts falling due after more than one year	9	(956)	-
		<u>2,664</u>	<u>2,802</u>
CAPITAL AND RESERVES			
Called up share capital	10	2,500	2,500
Profit and loss account	11	164	302
EQUITY SHAREHOLDERS' FUNDS	12	<u>2,664</u>	<u>2,802</u>

Approved by the board on

J. V. WALKER

Director



19 DECEMBER 2000

John Walker Developments Limited

CASH FLOW STATEMENT

for the year ended 31 March 2000

	<i>Notes</i>	2000 £000	1999 £000
Cash flow from operating activities	13a	(1,305)	194
Returns on investments and servicing of finance	13b	(83)	(49)
Taxation		(92)	(62)
Capital expenditure and financial investment	13b	(75)	(86)
CASH OUTFLOW BEFORE FINANCING		(1,555)	(3)
Financing	13b	956	(500)
DECREASE IN CASH IN THE PERIOD		(599)	(503)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (Note 13c)			£
(Decrease)/increase in cash in the period			(599)
Change in net debt resulting from cash flows			(956)
MOVEMENT IN NET DEBT IN THE PERIOD			(1,555)
NET DEBT AT 31 March 1999			(537)
NET DEBT AT 31 March 2000			(2,092)

John Walker Developments Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Plant and equipment

15% - 50%

PROPERTIES IN THE COURSE OF DEVELOPMENT

Properties held in the course of development have been valued at the lower of cost and net realisable value. Properties held in the course of development represent the direct cost of land, materials and professional charges applicable to unsold units. These costs have been carried as the total projected realisable value of each asset site exceeds the total expected direct cost. Estimates have been made by the directors for these projections of realisable value based upon information currently available and market conditions currently prevailing.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

PENSIONS CONTRIBUTIONS

The costs of providing pensions for employees are charged in the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working life of employees.

TURNOVER

Turnover represents the value of residential units developed, sales of which have been legally completed.

John Walker Developments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activity. Sales were made wholly in the United Kingdom.

	2000 £000	1999 £000
2 OTHER OPERATING EXPENSES (NET)		
Increase in properties in the course of development	(765)	(799)
Properties purchased for development and dealing	4,294	4,782
Directors and employees (note 4)	399	471
Depreciation	66	45
Other operating charges	264	270
	<u>£4,258</u>	<u>£4,769</u>
Included in the above is the following:		
Auditors remuneration -		
as auditors	12 6	
for other services	5	2
	<u>17 1</u>	<u>2</u>
3 INTEREST PAYABLE	2000 £000	1999 £000
Bank loan and overdraft	83	43
Other loan interest payable	-	7
	<u>83</u>	<u>50</u>
Interest receivable on deposit held by solicitor	-	(1)
	<u>83</u>	<u>49</u>

John Walker Developments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

4	EMPLOYEES	2000	1999
		No.	No.
	The average weekly number of persons (including directors) employed by the company during the year was:	14	15
		<hr/>	<hr/>
		£000	£000
	Staff costs for the above persons:		
	Wages and salaries	353	413
	Social security costs	27	39
	Other pension costs	19	19
		<hr/>	<hr/>
		399	471
		<hr/>	<hr/>
		2000	1999
		£000	£000
	DIRECTORS' REMUNERATION		
	Other emoluments (including pension contributions and benefits in kind)	147	174
	Company contributions to money purchase pension scheme	3	3
		<hr/>	<hr/>
		150	177
		<hr/>	<hr/>
		2000	1999
		£000	£000
5	TAXATION		
	Based on the loss of the year:		
	UK corporation tax (credit)/charge	(58)	92
		<hr/>	<hr/>
6	TANGIBLE FIXED ASSETS		<i>Plant and equipment</i>
			£000
	Cost		
	1 April 1999		161
	Additions		102
	Disposals		(50)
			<hr/>
	31 March 2000		213
			<hr/>
	Depreciation		
	1 April 1999		35
	Charged in the year		66
	Disposals		(22)
			<hr/>
	31 March 2000		79
			<hr/>
	Net book value		
	31 March 2000		134
			<hr/>
	31 March 1999		126
			<hr/>

John Walker Developments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

		2000 £000	1999 £000
7	DEBTORS		
	Due within one year:		
	Other debtors	156	29
	Prepayments and accrued income	14	4
	Corporation tax recoverable	58	-
		<u>228</u>	<u>33</u>

		2000 £000	1999 £000
8	CREDITORS: Amounts falling due within one year		
	Bank overdraft	1,136	537
	Trade creditors	91	100
	Other creditors	346	321
	Corporation tax	-	92
	Accruals and deferred income	229	602
		<u>1,802</u>	<u>1,652</u>

The bank overdraft is secured by way of a fixed and floating charge over the assets of the company.

		2000 £000	1999 £000
9	CREDITORS: Amounts falling due in more than one year		
	Bank loans	956	-

The bank loans are secured on the development properties at Wittersham and Coles Dane.

		2000 £000	1999 £000
10	SHARE CAPITAL		
	Authorised:		
	5,000,000 ordinary shares of £1 each	5,000	5,000
	Allotted, issued and fully paid:		
	2,500,000 ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>

John Walker Developments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

		2000	1999
		£000	£000
11	PROFIT AND LOSS ACCOUNT		
	1 April 1999	302	105
	(Loss)/profit for the financial year	(138)	197
	31 March 2000	<u>164</u>	<u>302</u>
12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
		2000	1999
		£000	£000
	(Loss)/profit after taxation	(138)	197
	Opening shareholders' funds	2,802	2,605
	Closing shareholders' funds	<u>2,664</u>	<u>2,802</u>
13	CASH FLOWS		
		2000	1999
		£000	£000
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating (loss)/profit	(113)	338
	Depreciation	66	45
	Loss/(profit) on sale of fixed assets	1	(7)
	(Increase) in properties held for and in the course of development	(765)	(799)
	(Increase)/decrease in debtors	(137)	18
	(Decrease)/increase in creditors	(357)	599
	Net cash flow from operating activities	<u>(1,305)</u>	<u>194</u>

John Walker Developments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

		2000 £000	1999 £000
13	CASH FLOWS (<i>continued</i>)		
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received	-	1
	Interest paid	(83)	(50)
	Net cash outflow for returns on investment and servicing of income	<u>(83)</u>	<u>(49)</u>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(102)	(151)
	Sale of tangible fixed assets	27	65
	Net cash outflow for capital expenditure and financial investment	<u>(75)</u>	<u>(86)</u>
	Financing		
	Loans taken out during the year	956	-
	Loans repaid	-	(500)
	Net cash outflow from financing	<u>956</u>	<u>(500)</u>
c	Analysis of net debt		
		<i>At</i>	<i>At</i>
		<i>1 April</i>	<i>31 March</i>
		<i>1999</i>	<i>2000</i>
		<i>£000</i>	<i>£000</i>
	Bank overdraft	(537)	(599)
	Debt due after one year	-	(956)
	Total	<u>(537)</u>	<u>(1,555)</u>
			<u>(2,092)</u>

John Walker Developments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

14 PENSION COMMITMENTS

The company is a participating employer in the EPS 1990 Pension and Assurance Scheme, formerly the EPS Logistics Technology Limited Pension and Assurance Scheme. The company operates a defined contribution pension scheme for the benefit of employees. There is also a defined benefit section of the scheme. The scheme was last valued by a qualified actuary as at 6 April 1999, using the Current Unit Valuation method with principal assumptions of 8.0% per annum investment return, including 4.6% per annum equity dividend increases, the salary increases limited under the scheme to 5% per annum.

At that date, the scheme's assets had a market value of £12.7 million. The actuarial value of the assets of the scheme represented 98% of the value of liabilities, allowing for post-valuation changes in benefits.

The company makes contributions to the scheme in accordance with the scheme's regulations. The cost of pension contributions in these financial statements is £19,000.

15 CONTINGENT LIABILITIES

There are contingent liabilities outstanding at the balance sheet date of £Nil (1999 £52,500) in respect of Section 38 road bonds.

16 RELATED PARTY TRANSACTIONS

During the year the following charges and loan repayments were made to EPS Logistics Technology Limited, a company under common control:

	2000 £000	1999 £000
<i>Charges</i>		
Loan interest charged to profit and loss	-	7
Management fees	39	47
Accommodation charges	16	14
	<u>55</u>	<u>68</u>
<i>Loan funding</i>		
As at 31 March 1999	-	500
Repayments made during the year	-	(500)
	<u>-</u>	<u>-</u>
As at 31 March 2000	<u>-</u>	<u>-</u>