

# **JOHN WALKER DEVELOPMENTS LIMITED**

## **Accounts for the year ended 31 March 1999 together with the Directors' and Auditors' Reports**

Registered Number: 2646033



Registered Office: 152 Staplehurst Road, Sittingbourne, Kent ME10 1XS

# **JOHN WALKER DEVELOPMENTS LIMITED**

## **Directors and Officers**

### **Directors**

H C Boucher (Chairman)	**
J R C Boucher	
D J Evans (Resigned 30 April 1999)	**
J V Walker	
P D Norman (Appointed 16 March 1999)	

\*\* Denotes non-executive director

### **Secretary**

L Wild (Resigned 18 January 1999)  
P D Norman (Appointed 18 January 1999)

### **Registered Office**

152 Staplehurst Road  
Sittingbourne  
Kent  
ME10 1XS

### **Auditors**

Binder Hamlyn  
20 Old Bailey  
London  
EC4M 7BH

# **JOHN WALKER DEVELOPMENTS LIMITED**

## **Year Ended 31 March 1999**

### **Directors' Report**

#### **Financial Statements**

The Directors present their report and financial statements together with the Auditors' report for the year ended 31 March 1999.

#### **Principal Activity**

The principal activity of the company is house building.

#### **Business Review**

As forecast, sales and profitability increased during the year. Due to the nature of our current sites and their various stages of production, sales and profitability are expected to fall during the year to 31 March 2000, but increase considerably during the following year.

#### **Year 2000 Compliance**

The Company is pursuing a programme to ensure Year 2000 compliance including consideration of internal business operations as well as those of key suppliers.

It is anticipated that expenditure to achieve Year 2000 compliance within the Company will not exceed £24,000 based on replacement cost.

#### **Directors' Responsibilities**

Company Law requires the Directors to prepare financial statements for each period 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 apply them consistently;*

*Make judgements and estimates that are reasonable and prudent;*

*State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and*

*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 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.

#### **Results and Dividends**

The profit after taxation for the year as shown on page 4 was £197,000 (1998: £279,000)

The directors do not recommend the payment of a dividend (1998: none).

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Directors' Report (continued)**

**Directors' Interest in Shares**

The Directors who served during the period together with their interests in the share capital of the company are set out below.

	Ordinary shares of £1 each at 31-Mar-99	Ordinary shares of £1 each at 31-Mar-98	
H C Boucher	2,500,000	2,500,000	
J R C Boucher	Nil	Nil	
J V Walker	Nil	Nil	
D J Evans	Nil	Nil	
P D Norman	Nil	Nil	**

\*\* On appointment

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed for the ensuing year will be put to the Annual General Meeting.

**This report was approved by the Board on 26 July 1999.**



**P D Norman**  
**Secretary**

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Auditors' Report**

We have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**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.

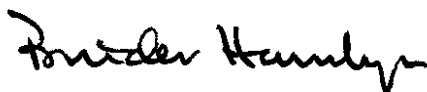
**Basis of Opinion**

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 financial statements. It also includes an assessment of the significant estimates and judgements 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 as at 31 March 1999 and of the company's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Binder Hamlyn**  
**Chartered Accountants**  
**Registered Auditors**  
20 Old Bailey  
London  
EC4M 7BH

26 July 1999

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Profit and Loss Account**

		1999	1998
	Notes	£'000s	£'000s
<b>Turnover</b>	2	5,107	3,521
<b>Net Operating Costs</b>	3	(4,769)	(3,145)
<b>Operating Profit</b>	2	<u>338</u>	<u>376</u>
<b>Net Interest Payable</b>	4	(49)	(34)
<b>Profit on Ordinary Activities before Taxation</b>		<u>289</u>	<u>342</u>
<b>Tax Charge on Profit on Ordinary Activities</b>	5	(92)	(63)
<b>Profit on Ordinary Activities after Taxation</b>		<u>197</u>	<u>279</u>

All results are derived from continuing activities.

The company has no recognised gains or losses other than the profit for the above two financial years.

*The accompanying notes are an integral part of this profit and loss account.*

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Balance Sheet**

		1999	1998
	Notes	£'000s	£'000s
<b>Fixed Assets</b>			
Tangible Assets	8	<u>126</u>	<u>78</u>
<b>Current Assets</b>			
Property held for and in the course of Development		4,295	3,496
Debtors	9	33	51
		<u>4,328</u>	<u>3,547</u>
<b>Creditors</b>			
Amounts falling due within one year	10	<u>(1,652)</u>	<u>(1,020)</u>
<b>Net Current Assets</b>		<u>2,676</u>	<u>2,527</u>
<b>Net Assets</b>		<u>2,802</u>	<u>2,605</u>
<b>Capital and Reserves</b>			
Called up Share Capital	11	2,500	2,500
Profit and Loss Account	12	302	105
		<u></u>	<u></u>
<b>Shareholders' Funds - Equity Interests</b>		<u>2,802</u>	<u>2,605</u>

The accompanying notes are an integral part of this balance sheet.

The financial statements on pages 4 to 13 were approved by the Board on 26 July 1999, and signed on its behalf by:



**J V Walker**  
**Director**

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Cash Flow Statement**

		1999	1998
	Notes	£'000s	£'000s
<b>Net cash inflow/ (outflow) from operating activities</b>	13	194	(1,706)
<b>Returns on investments and servicing of finance</b>			
Interest received		1	12
Interest paid		(50)	(39)
<b>Net cash outflow from returns on investment and servicing of finance</b>		<u>(49)</u>	<u>(27)</u>
<b>Taxation</b>			
Corporation tax paid		(62)	-
<b>Capital Expenditure</b>			
Payments to acquire fixed assets		(151)	(61)
Receipts from sales of tangible fixed assets		65	14
<b>Net cash outflow from investing activities</b>		<u>(86)</u>	<u>(47)</u>
<b>Net cash outflow before financing</b>		<u>(3)</u>	<u>(1,780)</u>
<b>Financing</b>			
Loans (repaid)/ received		(500)	500
<b>Net cash (outflow)/ inflow from financing</b>		<u>(500)</u>	<u>500</u>
<b>Decrease in cash in the year</b>	14	<u>(503)</u>	<u>(1,280)</u>

The accompanying notes are an integral part of this cash flow statement.



**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Notes to the Financial Statements**

**1 Accounting Policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

**a) Accounting Convention**

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

**b) Turnover**

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

**c) Tangible Fixed Assets**

Tangible fixed assets are shown at cost less depreciation, and any provision for impairment depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Plant and equipment	15% - 50%
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**d) Properties held for and in the Course of Development**

Properties held for and in the Course of Development have been valued at the lower of cost and net realisable value. Properties held for and 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.

**e) Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

**f) Pensions**

The cost of the company's defined contribution pension arrangements is charged in accordance with the scheme's regulations.

**2 Turnover and Operating Profit**

All turnover and operating profits are derived from the company's principal activity and wholly in the United Kingdom.

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Notes to the Financial Statements (continued)**

<b>3 Net Operating Costs</b>	<b>1999 £'000s</b>	<b>1998 £'000s</b>
Increase in properties held for and in the course of development and dealing	(799)	(2,307)
Properties purchased for development and dealing	4,782	4,782
Directors and employees (Note 6)	471	456
Depreciation	45	30
Other operating charges	270	184
	<hr/>	<hr/>
	<b>4,769</b>	<b>3,145</b>

Included in the above are the following:

Auditors remuneration	as auditors	6	5
	for other services	2	3
		<hr/>	<hr/>

<b>4 Net Interest Payable</b>	<b>1999 £'000s</b>	<b>1998 £'000s</b>
Bank loan and overdraft	43	23
Other loan interest payable	7	22
	<hr/>	<hr/>
	<b>50</b>	<b>45</b>
Interest receivable on deposit held by solicitor	(1)	-
Interest receivable - bank	-	(11)
	<hr/>	<hr/>
	<b>49</b>	<b>34</b>

<b>5 Taxation</b>	<b>1999 £'000s</b>	<b>1998 £'000s</b>
Tax charge on profit on ordinary activities at 31%	92	63
	<hr/>	<hr/>

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Notes to the Financial Statements (continued)**

<b>6 Staff Costs</b>	<b>1999 Number</b>	<b>1998 Number</b>
The average weekly number of employees was:	15	17
Executive directors included in the above numbers:	2	2
Their aggregate remuneration comprised:		
	<b>1999 £'000s</b>	<b>1998 £'000s</b>
Wages and salaries	413	402
Social security costs	39	40
Other pension costs	19	14
	<u>471</u>	<u>456</u>
 <b>7 Directors Remuneration</b>	 <b>1999 £'000s</b>	 <b>1998 £'000s</b>
Emoluments	174	172
Company contributions to money purchase pension scheme	3	2
	<u>177</u>	<u>174</u>

*Pensions:*

The number of directors in respect of whom retirement benefits are accruing in the company money purchase pension scheme was as follows:

<b>Number</b>	<b>Number</b>
<u>1</u>	<u>1</u>

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Notes to the Financial Statements (continued)**

**8 Tangible Fixed Assets**

Plant &  
Equipment  
£'000s

**Cost**

At 31 March 1998	114
Additions	151
Disposals	(104)

**At 31 March 1999**

161

**Depreciation**

At 31 March 1998	36
Provided during the period	45
Disposals	(46)

**At 31 March 1999**

35

**Net book value at 31 March 1999**

126

**Net book value at 31 March 1998**

78

**9 Debtors**

1999  
£,000s

1998  
£,000s

Other debtors	29	33
Prepayments	4	18
	<u>33</u>	<u>51</u>

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Notes to the Financial Statements (continued)**

**10 Creditors: amounts falling due within one year**

	1999 £'000s	1998 £'000s
Bank overdraft	537	34
Trade creditors	100	142
Other creditors	321	106
Corporation tax	92	63
Accruals	602	175
Short term loan from EPS Logistics Technology Limited (see note 18)	-	500
	<u>1,652</u>	<u>1,020</u>

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

**11 Share Capital**

	£'000s	£'000s
<b>Authorised</b>		
5,000,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
<b>Allotted and fully paid Ordinary shares:</b>		
2,500,000 Ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>

**12 Reconciliation of equity shareholders' funds and movement of reserves**

	Share Capital £'000s	Profit & Loss account £'000s	Shareholders funds £'000s
<b>At 31 March 1998</b>	2,500	105	2,605
Profit for year	<u>-</u>	<u>197</u>	<u>197</u>
<b>At 31 March 1999</b>	<u>2,500</u>	<u>302</u>	<u>2,802</u>

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Notes to the Financial Statements (continued)**

**13 Reconciliation of operating profit to operating cash flows**

	1999 £'000s	1998 £'000s
Operating profit	338	376
Depreciation	45	30
Net profit on sale of assets	(7)	(8)
Increase in properties held for and in the course of development	(799)	(2,308)
Decrease/ (increase) in debtors	18	(15)
Increase in creditors	599	219
	<hr/>	<hr/>
Net cash inflow/ (outflow) from operating activities	194	(1,706)

**14 Analysis of changes in net debt**

	1 April 1998 £'000s	Cash Flow £'000s	31 March 1999 £'000s
Overdrafts	(34)	(503)	(537)
Debt due within one year	<hr/> (500)	<hr/> 500	<hr/> -
Net debt	<hr/> (534)	<hr/> (3)	<hr/> (537)

	1999 £'000s	1998 £'000s
Decrease in cash in the period	(503)	(1,280)
Cash outflow from the decrease in debt	<hr/> 500	<hr/> (500)
Change in net debt	(3)	(1,780)
Net debt at 1 April 1998	<hr/> (534)	<hr/> 1,246
Net debt at 31 March 1999	<hr/> (537)	<hr/> (534)

**JOHN WALKER DEVELOPMENTS LIMITED**  
**Year Ended 31 March 1999**

**Notes to the Financial Statements (continued)**

**15 Analysis of changes in financing during this year**

	Share Capital £'000s	Loans £'000s
At 31 March 1998	2,500	500
Cash Inflow from financing	-	(500)
At 31 March 1999	<u>2,500</u>	<u>-</u>

**16 Pensions**

The company is participating employer in the EPS 1990 Pension and Assurance Scheme, formerly the E.P.S. 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 1996, using the Current Unit Valuation method with principal assumptions of 9.5% per annum investment return, including 4.8% 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 £8.91 million. The actuarial value of the assets of the scheme represented 120% 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 statement is £19,000.

**17 Contingent Liabilities**

There are contingent liabilities outstanding at the balance sheet date of £52,500 (1998: £105,000) in respect of Section 38 road bonds.

**18 Related party transactions**

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

<i>Charges</i>	1999 £'000s	1998 £'000s
Loan interest charged to profit and loss	7	21
Management fees	47	25
Accommodation charges	14	11
<i>Loan Funding</i>		
As at 31 March 1998	500	500
Repayments made during the year	(500)	-
As at 31 March 1999	<u>-</u>	<u>500</u>