

Bayfordbury Holdings plc
Annual report and financial statements
for the year ended 31 July 2000

Registered Number 2698931



Bayfordbury Holdings plc
Annual report and financial statements
for the year ended 31 July 2000
Contents

Directors and Advisers for the year ended 31 July 2000	1
Directors' report for the year ended 31 July 2000	2
Auditors' report to the members of Bayfordbury Holdings plc	4
Consolidated profit and loss account for the year ended 31 July 2000	5
Consolidated balance sheet as at 31 July 2000	6
Company balance sheet as at 31 July 2000	7
Cash flow statement for the year ended 31 July 2000	8
Notes to the financial statements for the year ended 31 July 2000	9

Bayfordbury Holdings plc

Directors and Advisers for the year ended 31 July 2000

Directors

J A Barham
S C Potter
P G Ayton FCA
L W Green FCA

Bankers to the Company

Bank of Scotland
Barclays Bank PLC
N M Rothschild & Sons Limited
National Westminster Bank Plc
Singer and Friedlander Limited

Bankers to Joint Venture Companies

Bank of Scotland
Barclays Bank PLC
Overseas Union Bank Limited
The Development Bank of Singapore Limited

Company Secretary and registered office

P G Ayton FCA
Bayfordbury
Lower Hatfield Road
Hertford
Hertfordshire
SG13 8EE

Solicitors

London:
Harold Benjamin & Littlejohn
Howard Kennedy
Mishcon de Reya
Dechert

Auditors

PricewaterhouseCoopers
Abacus House
Castle Park
Cambridge
CB3 0AN

Hertford:

Jameson & Hill

Bayfordbury Holdings plc

Directors' report for the year ended 31 July 2000

The directors present their report and the audited financial statements for the year ended 31 July 2000.

Principal activities and business review

The principal activities of the group during the year were those of residential development, investment and construction. There has been no significant change in the activities of the group and it is the intention of the directors to continue these activities.

The principal activity of the company was that of a holding company.

Results and dividends

The results for the year are set out in the profit and loss account on page 5.

Dividends paid and proposed during the year are shown in note 10 to the financial statements.

Directors

The directors who served during the whole of the year were:

J A Barham (Chairman)
L W Green
P G Ayton
S C Potter

Directors' interests in the shares of the company

The interests of the directors in the shares of the company were as follows:

	Number	
	2000	1999
Mr J A Barham held a beneficial interest in:		
Ordinary shares	3,774,000	3,826,200
Mr L W Green held a non-beneficial interest as		
Trustee of Barham Family Settlements in ordinary shares	1,251,000	1,198,800

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and for preventing and detecting fraud and other irregularities.

Payments to suppliers

The group agrees payment terms with its suppliers when it enters into binding purchase contracts. The group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The group does not have a standard or code which deals specifically with the payment of suppliers. The company makes very few direct purchases, as most services are obtained from subsidiary undertakings. Therefore, it is not possible to calculate the company's average creditor payment period. However, the average creditor payment period at 31 July 2000 for the group's largest trading company, Rialto Homes plc, was 26 days (1999: 31 days).

Bayfordbury Holdings plc

Political and charitable contributions

No political contributions were made in the year (1999: £Nil). Charitable donations made during the year amounted to £26,000 (1999: £9,000).

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'R. R.', written over the printed text 'Company Secretary'.

Company Secretary

27 October 2000

Bayfordbury Holdings plc

Auditors' report to the members of Bayfordbury Holdings plc

We have audited the financial statements on pages 5 to 23.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

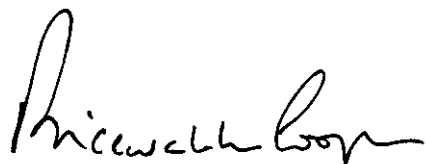
Basis of audit opinion

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 affairs of the company and group as at 31 July 2000 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Cambridge

30 October 2000

Bayfordbury Holdings plc

Consolidated profit and loss account for the year ended 31 July 2000

		2000		1999	
	Note	£'000	£'000	£'000	£'000
Turnover – group and share of joint ventures			85,858		63,307
Less: share of joint ventures' turnover			(7,217)		-
Group turnover – continuing operations	1		78,641		63,307
Change in stocks of land and work in progress			(8,676)		(7,832)
Other operating income	5		165		387
			70,130		55,862
Land acquisition and development expenditure		17,728		17,490	
Construction expenditure		33,975		23,222	
Sales expenditure and incentives		4,186		2,713	
			(55,889)		(43,425)
			14,241		12,437
Staff costs	3	4,138		4,019	
Other operating charges		995		1,320	
			(5,133)		(5,339)
Operating profit – continuing operations			9,108		7,098
Share of profit of joint ventures			2,221		192
Profit on ordinary activities before interest			11,329		7,290
Interest receivable and similar income	6		56		250
Interest payable and similar charges	7		(1,190)		(1,493)
Profit on ordinary activities before taxation	2		10,195		6,047
Taxation on profit on ordinary activities	8		(3,160)		(1,865)
Profit for the financial year			7,035		4,182
Dividends	10		(3,750)		(1,865)
Increase in reserves	19		3,285		2,317

The group has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

No note of historical cost profit and losses as required by Financial Reporting Standard No 3 "Reporting Financial Performance" has been presented as there is no difference between the profit reported above and the profits as determined on an unmodified historical cost basis.

Bayfordbury Holdings plc

Consolidated balance sheet as at 31 July 2000

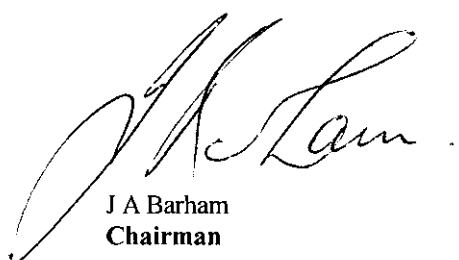
	Note	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	11	723	474
Investments in joint ventures:			
Share of gross assets	12	66,828	41,300
Share of gross liabilities	12	61,831	38,524
		4,997	2,776
Other investments	12	19,524	8,691
	12	24,521	11,467
		25,244	11,941
Current assets			
Stock	13	21,684	30,360
Debtors	14	6,732	4,351
Cash at bank and in hand		2,403	3,355
		30,819	38,066
Creditors: amounts falling due within one year	15	(17,351)	(12,838)
Net current assets		13,468	25,228
Total assets less current liabilities		38,712	37,169
Creditors : amounts falling due after more than one year	16	(12,896)	(15,153)
Provisions for liabilities and charges	17	(1,165)	(650)
Net assets		24,651	21,366
Capital and reserves			
Called up share capital	18	5,025	5,025
Reserve arising on consolidation	19	225	225
Profit and loss account	19	19,401	16,116
Equity shareholders' funds	20	24,651	21,366

Bayfordbury Holdings plc

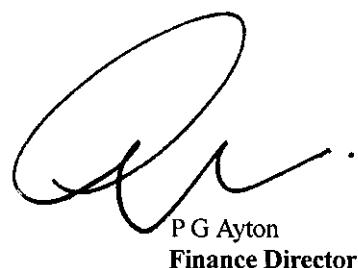
Balance sheet at 31 July 2000

	Note	2000 £'000	1999 £'000
Fixed assets			
Investments	12	25,912	23,034
Current assets			
Debtors	14	2,607	1,857
Cash at bank and in hand		3	-
		2,610	1,857
Creditors: amounts falling due within one year	15	(3,871)	(3,525)
Net current liabilities		(1,261)	(1,668)
Total assets less current liabilities		24,651	21,366
Creditors : amounts falling due after more than one year	16	-	-
Provisions for liabilities and charges	17	-	-
Net assets		24,651	21,366
Capital and reserves			
Called up share capital	18	5,025	5,025
Revaluation reserve	19	10,131	6,997
Profit and loss account	19	9,495	9,344
Equity shareholders' funds	20	24,651	21,366

The financial statements on pages 5 to 23 were approved by the board of directors on 27 October 2000 and were signed on its behalf by:



J A Barham
Chairman



P G Ayton
Finance Director

Bayfordbury Holdings plc

Cash flow statement for the year ended 31 July 2000

	Note	2000 £'000	1999 £'000
Net cash inflow from continuing operating activities	24	18,349	7,439
Returns on investment and servicing of finance			
Interest paid		(1,262)	(1,474)
Interest paid on finance leases		(26)	(19)
Interest received		171	39
Other financing costs		(168)	-
Net cash outflow from returns on investment and servicing of finance		(1,285)	(1,454)
Taxation			
UK corporation tax paid		(1,566)	(1,673)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(230)	(200)
Sale of tangible fixed assets		-	11
Loans to joint ventures		(10,953)	(3,998)
Net cash outflow from capital expenditure and financial investment		(11,183)	(4,187)
Acquisitions and disposals			
Increase in shareholding of joint venture		(1)	-
Net cash outflow for acquisitions and disposals		(1)	-
Equity dividends paid		(3,000)	(540)
Cash inflow/(outflow) before financing		1,314	(415)
Financing			
Loan (repayments)/drawdowns		(2,086)	1,245
Capital element of finance lease payments		(180)	(124)
Net cash (outflow)/inflow from financing		(2,266)	1,121
(Decrease)/increase in cash in the period	25	(952)	706

Bayfordbury Holdings plc

Notes to the financial statements for the year ended 31 July 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the historical cost convention modified to incorporate the revaluation of investments in subsidiaries and certain land and buildings. However, compliance with SSAP 19 "Accounting for investment properties" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given in the note relating to investment properties below.

Basis of consolidation

The consolidated profit and loss account, balance sheet and cash flow statement include the financial statements of the company and its subsidiary undertakings made up to 31 July 2000. Intra-group sales and profits are eliminated fully on consolidation.

Joint ventures

The group's share of the turnover and the component elements of the profit and loss account for joint ventures are included in the consolidated profit and loss account. Investments in joint ventures are disclosed using the gross equity method which records the group's share of the gross assets and the gross liabilities of the joint venture underlying the net investment.

These amounts are taken from management accounts drawn up to 31 July 2000. Audited financial statements of Hither Green Developments Limited and York Road Limited were drawn up to 31 December 1999. The financial statements of Westfield Holdings Pte Limited, which are unaudited, were drawn up to 31 July 2000. The financial statements of West End Quay Ltd will be drawn up to 30 April 2001.

Turnover and accounting for profit

Credit for sales to third parties has been taken either on legal completion or upon receipt of all monies due under an unconditionally exchanged contract for sale.

Turnover is the total amount received on completion of sales to third parties together with the appropriate value of work done on long-term contracts in progress to which a proportion of profit has been attributed and fees in respect of management contracts. This consists entirely of sales made in the United Kingdom.

For long-term contracts, the excess of turnover over payments receivable is included in debtors as "Amounts recoverable on long-term contracts".

Capitalisation of interest

Interest incurred on developments that are financed by loans specifically arranged and secured on those developments is capitalised and included within work-in-progress.

Interest incurred on finance that does not relate to specific developments is written off as incurred.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit on a straight line basis. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Bayfordbury Holdings plc

Fixed assets and depreciation

For the fixed assets set out below depreciation is calculated to write off their original cost by equal annual instalments over their estimated useful lives, which are considered to be:

Plant and site machinery	5 - 10 years
Motor vehicles	2 - 3 years
Fixtures, fittings, tools and equipment	3 - 7 years

Investment in subsidiaries

Shares in subsidiary companies are stated in the parent company balance sheet at the company's share of net assets of those companies. Upon revaluation, the change in carrying value is taken to the revaluation reserve.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually by the directors, with the assistance of independent professional advice as required, and the aggregate surplus or deficit is transferred to a revaluation reserve. The basis of valuation is explained in note 12.

The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for long term investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation, although this would not have been material.

Land and development work-in-progress

Land and development work-in-progress is valued at the lower of cost and net realisable value in the normal course of business.

Long-term contract work-in-progress is valued at cost, plus a proportion of profits appropriate to the stage of completion less provision for anticipated losses, and is stated after deducting progress payments received. Foreseeable losses are provided for in full as soon as they are identified. Profits are not anticipated until the outcome of the contract can be assessed with reasonable certainty.

Deferred taxation

Provision is made for deferred taxation using the liability method to recognise timing differences between profits stated in the financial statements and profits computed for taxation purposes where it is probable that the liability to taxation is likely to crystallise on such timing differences.

Pension costs

The group makes defined contributions to a number of personal pension arrangements on behalf of its employees. The pension cost represents the contributions payable to these arrangements in respect of the accounting period.

The company provides no other post retirement benefits to its employees.

Goodwill

Goodwill arising on consolidation represents the excess fair value of the consideration given over the fair value of the identifiable net assets acquired. Prior to 1 August 1999, purchased goodwill was taken directly to the profit and loss reserve in the year of acquisition. Goodwill previously eliminated against reserves will be charged or credited to the profit and loss account on subsequent disposal of the subsidiary or joint venture.

Goodwill arising on future acquisitions of subsidiaries or joint ventures will be capitalised and eliminated by amortisation through the profit and loss account over its useful economic life. A useful economic life is assigned to each component of the overall goodwill balance, upon its generation, based upon the circumstances in existence at that point in time. They will be reviewed at the end of each reporting period, and revised if necessary.

Bayfordbury Holdings plc

2 Profit on ordinary activities before taxation

	2000	1999
	£'000	£'000
Profit on ordinary activities before taxation is stated after crediting:		
- profit on disposal of ground rents	30	92
And after charging:		
- loss on disposal of fixed assets	-	6
Depreciation of tangible fixed assets:		
- owned assets	99	54
- leased assets	111	115
Operating lease charges:		
- hire of plant and machinery	270	292
- other	260	260
Auditors' remuneration:		
- audit (company £5,000; 1999: £5,000)	79	75
- other services	186	30

3 Employees

The average number of employees of the group within each category of persons was:

	No of employees	
	2000	1999
Production staff	33	34
Sales and administration staff	113	109
	146	143

The payroll costs incurred in respect of these employees were:

	2000	1999
	£'000	£'000
Wages and salaries	4,597	4,480
Social security costs	495	469
Other pension costs	382	240
	5,474	5,189
Less: amounts charged to work-in-progress	(1,336)	(1,170)
Amount charged directly to the profit and loss account	4,138	4,019

Bayfordbury Holdings plc

4 Directors' emoluments

The remuneration payable to the directors of Bayfordbury Holdings plc was:

	2000	1999
	£'000	£'000
Aggregate emoluments	530	537
Company pension contributions to money purchase schemes	185	55

Emoluments payable to the highest paid director are as follows:

	2000	1999
	£'000	£'000
Aggregate emoluments	214	201
Company pension contributions to money purchase schemes	5	-

Retirement benefits are accruing to three directors (1999: three directors) under money purchase schemes.

Payments of £25,000 (1999: £25,000) were made to Addison Beyer Green, of which L W Green is a partner.

5 Other operating income

	2000	1999
	£'000	£'000
Rental income	57	104
Profit on disposal of assets	30	86
Commission	31	94
Other	47	103
	165	387

6 Interest receivable and similar income

	2000	1999
	£'000	£'000
Other interest receivable	56	250

Bayfordbury Holdings plc

7 Interest payable and similar charges

	2000 £'000	1999 £'000
Total interest payable on bank loans and overdrafts	3,472	3,376
Less: interest capitalised on developments	(2,350)	(1,902)
	1,122	1,474
On other loans	42	-
On finance leases	26	19
	1,190	1,493

The company did not hold any development specific loans during the year and thus no interest was capitalised by the company. The only interest capitalised was in respect of joint venture and subsidiary company developments which arose from development specific loans.

8 Taxation

	2000 £'000	1999 £'000
United Kingdom corporation tax at 30% (1999: 30.75%)		
Charge for the year	2,728	1,215
Deferred tax	515	650
(Over) provision in respect of prior year	(83)	-
	3,160	1,865

9 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is as follows:

	2000 £'000	1999 £'000
Holding company's profit for the financial year	3,901	1,865

Bayfordbury Holdings plc

10 Dividends

	2000 £'000	1999 £'000
Ordinary shares:		
Interim paid of 29.85p per share (1999: 7.26p per share)	1,500	365
Final proposed of 44.77p per share (1999: 29.85p per share)	2,250	1,500
	3,750	1,865

11 Tangible fixed assets

Group

	Motor vehicles £'000	Plant and site machinery £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost or valuation				
At 1 August 1999	410	165	1,581	2,156
Additions at cost	-	7	452	459
Disposals	(74)	-	-	(74)
At 31 July 2000	336	172	2,033	2,541
Depreciation				
At 1 August 1999	210	147	1,325	1,682
Charge for the year	90	5	115	210
Eliminated in respect of disposals	(74)	-	-	(74)
At 31 July 2000	226	152	1,440	1,818
Net book value at 31 July 2000	110	20	593	723
Net book value at 31 July 1999	200	18	256	474

The net book value of tangible fixed assets includes an amount of £272,432 (1999: £199,615) in respect of assets held under finance leases.

The company held no tangible fixed assets during the year.

Bayfordbury Holdings plc

12 Fixed asset investments

Group

	Investment properties £'000	Investment in joint ventures £'000	Loans £'000	Total £'000
Cost or valuation				
At 1 August 1999	240	2,776	8,451	11,467
Transfer to current assets	(120)	-	-	(120)
Share of profits	-	2,221	-	2,221
Increase in investments - loans	-	-	10,953	10,953
At 31 July 2000	120	4,997	19,404	24,521

The investment properties are held by Rialto Properties Limited. They were valued by the directors at 31 July 1999 and 31 July 2000 at open market values.

Company

	Shares in group companies £'000
Cost or valuation	
At 1 August 1999	23,034
Revaluations	2,878
At 31 July 2000	25,912

Principal subsidiary undertakings

The company has a 100% interest in the total nominal value of the issued £1 ordinary shares of the following companies:

	Nature of business
Rialto Homes plc	Residential development and construction
Bayfordbury Investments Limited	Property investment
Rialto (Stratford) Limited	Ground rent collection
Rialto (Enfield) Limited	Housing development and construction
Rialto Developments Limited	Housing development and construction
Rialto No 4 Limited	Housing development and construction
Rialto Estates Limited	Housing development and construction
Rialto Computer Services Limited	Provision of computer services

Bayfordbury Holdings plc

Rialto Homes plc has a 100% interest in the total nominal value of the issued £1 ordinary shares of the following companies, except as indicated:

	Nature of business
Rialto (Ocean Park) Limited	Housing development and construction
Residential Design and Build Limited	Housing development and construction
Rialto Properties Limited	Property development and collection of rents
RMS Financial Services Limited	Mortgage brokers (95% owned)
Rialto (Bayswater) Limited	Housing development and construction

All companies are incorporated in England and all are included in these consolidated accounts.

Joint ventures

Rialto Homes plc holds the following interests in the ordinary share capital of the indicated companies, all of which are housing development and construction companies:

	Country of Incorporation	Interest held
Hither Green Developments Limited	England	50%
Westfield Holdings Pte Limited	Singapore	50%
York Road Limited	Jersey	41.5%
West End Quay Limited	England	33.33%

Although Rialto Homes plc holds 50% of the issued share capital of Westfield Holdings Pte Limited, it is entitled to the first £2 million of any profit to be distributed and then 50% of any subsequent distribution.

On 5 May 2000 Rialto Homes plc acquired a 33.33% interest in West End Quay Limited, a company incorporated in England, for a consideration of £1,000 in cash. This interest has been accounted for as a joint venture using the gross equity method.

Additional disclosures for joint ventures

Company	West End Quay Limited £'000	York Road Limited £'000	Westfield Holdings Pte Limited £'000	Hither Green Developments Limited £'000	Total £'000
Share of assets					
Share of current assets	17,251	13,387	24,456	11,734	66,828
Share of liabilities					
Liabilities within one year	697	7,627	9,467	5,001	22,792
Liabilities after one year	16,554	5,672	10,632	6,181	39,039
Share of net assets	-	88	4,357	552	4,997

Interest of £2,064,000 (1999: £1,682,000) was included in the above figures in respect of specific loans on development sites held by joint ventures. No liability for these loans will fall on Rialto Homes plc.

Bayfordbury Holdings plc

13 Stocks

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Land and development work-in-progress	21,684	30,360	-	-

Interest of £285,930 (1999: £220,337) was capitalised during the year in respect of specific loans on development sites.

14 Debtors

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Trade debtors	890	707	-	-
Amounts owed by group undertakings	-	-	2,502	1,782
Amounts owed by joint ventures	5,197	2,714	-	-
ACT recoverable	-	-	-	75
Other debtors	122	687	-	-
Prepayments and accrued income	523	243	105	-
	6,732	4,351	2,607	1,857

Bayfordbury Holdings plc

15 Creditors: amounts falling due within one year

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Loans	2,750	2,560	-	-
Trade creditors and accruals	8,691	6,864	-	-
Amounts owed to joint ventures	632	632	-	-
Amounts owed to group undertakings	-	-	1,620	2,025
Obligations under finance leases	149	119	-	-
Corporation tax	1,812	733	1	-
Other taxation and social security	825	105	-	-
Other creditors	242	325	-	-
Proposed dividends	2,250	1,500	2,250	1,500
	17,351	12,838	3,871	3,525

A loan of £2,700,340 (1999: £2,050,000) is from Frogmore Developments Limited and is due for repayment by 31 July 2001. Security is by way of a charge over the development at Coppetts Wood. Interest is charged at 7% per annum.

A bank loan of £50,208 is from Barclays Mercantile Business Finance Limited and is unsecured.

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Loans	12,724	15,000	-	-
Obligations under finance leases	172	153	-	-
	12,896	15,153	-	-

A bank loan of £12,500,000 comprises a funding facility. On 22 June 2000, Rialto Homes plc and its subsidiaries entered into a renegotiated agreement with a syndicate of four banks to provide a funding facility for Rialto Homes plc, now committed for a further three years until 31 August 2003. As part of an earlier agreement, Rialto Homes plc and its subsidiaries entered into a composite guarantee and debenture securing their liabilities. The facility is secured by way of fixed and floating charge over the assets of the group.

A bank loan of £223,878 is from Barclays Mercantile Business Finance Limited and is unsecured.

Bayfordbury Holdings plc

Maturity of debt

Group loans are payable as follows:

	2000 £'000	1999 £'000
In one year or less, or on demand	2,750	2,560
In more than one year, but not more than two years	55	15,000
In more than two years, but not more than five years	12,669	-
In more than five years	-	-
	15,474	17,560

Finance leases

The net finance lease obligations to which the group is committed are:

	2000 £'000	1999 £'000
Within one year	149	119
In more than one year, but not more than five years	172	153
After five years	-	-
	321	272

17 Provisions for liabilities and charges

Provision for deferred tax

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
At 1 August 1999	650	-	-	-
Charged to profit and loss account	515	650	-	-
At 31 July 2000	1,165	650	-	-

The group's liability for deferred tax consists of other timing differences principally relating to the future settlement of monies due from a joint venture company. With the exception referred to in Note 19, there is no other material liability for deferred taxation not provided.

Bayfordbury Holdings plc

18 Called up share capital

	2000 £'000	1999 £'000
Authorised		
5,025,000 (1999: 5,025,000) ordinary shares of £1 each	5,025	5,025
Allotted, called up and fully paid		
5,025,000 (1999: 5,025,000) ordinary shares of £1 each	5,025	5,025

19 Reserves

	Reserve arising on consolidation £'000	Profit and loss account £'000
Group		
At 1 August 1999	225	16,116
Retained profit for the year	-	3,285
At 31 July 2000	225	19,401

Group's share of post acquisition reserves of joint ventures included above

At 1 August 1999	776
Retained profit for the year	2,221
At 31 July 2000	2,997

	Revaluation reserve £'000	Profit and loss account £'000
Company		
At 1 August 1999	6,997	9,344
Revaluation of subsidiaries	3,134	-
Retained profit for the year	-	151
At 31 July 2000	10,131	9,495

No provision has been made for the additional United Kingdom taxation that would accrue if the investments in subsidiaries were disposed of at their revalued amounts.

Bayfordbury Holdings plc

20 Reconciliation of movements in equity shareholders' funds

	2000 £'000	1999 £'000
Opening equity shareholders' funds	21,366	19,049
Increase in reserves for the year	3,285	2,317
Closing equity shareholders' funds	24,651	21,366

21 Financial commitments

At 31 July 2000 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other assets	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Within one year	-	-	69	52
Within two and five years inclusive	-	-	76	240
After five years	260	260	-	-
	260	260	145	292

At 31 July 2000, the following amounts, which have not been provided for in the accounts were contracted to be paid to complete the purchase of serviced development land with the benefit of planning permission:

	Group	
	2000 £'000	1999 £'000
Due within the following year	9,876	3,870

22 Capital commitments

No capital expenditure has been authorised by the directors which has not yet been contracted for (1999: £Nil).

23 Contingent liabilities

Certain subsidiary undertakings have, in the ordinary course of business, entered into counter indemnities in respect of bonds relating to the group's own contracts. No liabilities are expected to arise in respect of these indemnities.

Bayfordbury Holdings plc

24 Reconciliation of operating profit to net cash inflow from operating activities

	2000 £'000	1999 £'000
Operating profit - continuing operations	9,108	7,098
Depreciation of tangible fixed assets	210	169
Loss on sale of tangible fixed assets	-	6
Decrease in stocks	8,796	7,388
(Increase) in debtors	(2,376)	(452)
Increase/(decrease) in creditors	2,611	(6,770)
Net cash inflow from continuing operating activities	18,349	7,439

25 Reconciliation of net cash flow to movement in net debt

	2000 £'000	1999 £'000
(Decrease)/increase in cash in the period	(952)	706
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	2,266	(1,121)
Change in net debt resulting from cash flows	1,314	(415)
New finance leases	(229)	(272)
Movement in net debt in the period	1,085	(687)
Net debt at 1 August	(14,477)	(13,790)
Net debt at 31 July	(13,392)	(14,477)

26 Analysis of net debt

	31 July 2000 £'000	Cash flow £'000	Non-cash changes £'000	1 August 1999 £'000
Net cash				
Cash at bank and in hand	2,403	(952)	-	3,355
Debt				
Finance leases	(321)	180	(229)	(272)
Debts falling due within one year	(2,750)	(190)	-	(2,560)
Debts falling due after one year	(12,724)	2,276	-	(15,000)
Net debt	(13,392)	1,314	(229)	(14,477)

Bayfordbury Holdings plc

27 Pension costs

The group makes defined contributions to a number of personal pension arrangements on behalf of its employees. A pension cost of £382,000 (1999: £240,000) was charged to the profit and loss account during the year. At 31 July 2000 an amount of £27,000 (1999: £37,000) is included in creditors for pension costs accrued.

28 Related party transactions

Payments of £25,000 (1999: £25,000) were made to Addison Beyer Green, of which L W Green is a partner.

29 Ultimate controlling party

The directors consider Mr J A Barham to be the ultimate controlling party of Bayfordbury Holdings plc.