

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

Registered Number: 3094756

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST OCTOBER 2000



SPAIN BROTHERS
CHARTERED ACCOUNTANTS



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LITTLE BURTON DEVELOPMENT COMPANY LIMITED

Registered Office:

5 St. James's Street,
Dover, Kent CT16 1QD.

Company number:- 3094756

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST OCTOBER 2000

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This page does not form part of the statutory Financial Statements

Page 10 Detailed Trading and Profit and Loss Account

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION **FOR THE YEAR ENDED** **31ST OCTOBER 2000**

Incorporated in England and Wales on 23rd August 1995.

CHAIRMAN:	J. Wheller, Esq.
OTHER DIRECTOR:	R.J. Tyson, Esq.
SECRETARY:	R.J. Tyson, Esq.
REGISTERED OFFICE:	5 St. James's Street Dover Kent CT16 1QD
BANKERS:	National Westminster Bank plc 18a Curzon Street London W1A 4ND
AUDITORS:	Spain Brothers & Co. Chartered Accountants 5 St. James's Street Dover Kent CT16 1QD
COMPANY NUMBER:	3094756

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST OCTOBER 2000

The directors present their report to the members, together with the audited financial statements for the year ended 31st October 2000

PRINCIPAL ACTIVITY

The principal activity of the Company was that of development (by way of provision of infrastructure) and sale of housebuilding land.

DIRECTORS

The Directors who served during the year and their interests in the shares of the Company are set out below.

	31.10.2000	31.10.1999
	£1 Ordinary	£1 Ordinary
	Shares	Shares
	(A & B)	(A & B)
R.J. Tyson, Esq.	-	-
J. Wheller, Esq.	-	-

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Financial Statements for each financial 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 the keeping of 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.

AUDITORS

A resolution to re-appoint Spain Brothers & Co., as the Company's auditors will be proposed at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 30th January 2001

Registered Office:
5 St. James's Street,
DOVER, Kent CT16 1QD.

BY ORDER OF THE BOARD

R.J. Tyson, Esq. - Secretary

Dated: 30th January 2001

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
LITTLE BURTON DEVELOPMENT COMPANY LIMITED
FOR THE YEAR ENDED 31ST OCTOBER 2000**

We have audited the Financial Statements set out 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 2 the Company's directors are responsible for the preparation of the Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Financial 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 an 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 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 31st October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Spain Brothers & Co.

SPAIN BROTHERS & CO

Chartered Accountants

Registered Auditors

5 St. James's Street,
Dover,
Kent CT16 1QD.

Date: 14 February 2001

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED
31ST OCTOBER 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
<u>TURNOVER</u>	2	3,376,608	696,580
Cost of Sales		(3,134,942)	(653,124)
<u>GROSS PROFIT</u>		241,666	43,456
Administrative Expenses		(147,197)	(59,885)
<u>OPERATING PROFIT/(LOSS)</u>	3	94,469	(16,429)
Interest Receivable		30,454	18,262
		124,923	1,833
Interest Payable	4	(2,385)	(364)
<u>PROFIT ON ORDINARY</u>			
<u>ACTIVITIES BEFORE TAXATION</u>		122,538	1,469
Tax on Profit on Ordinary Activities	5	(25,167)	(345)
<u>PROFIT ON ORDINARY</u>			
<u>ACTIVITIES AFTER TAXATION</u>		97,371	1,124
Dividends	6	(100,000)	0
<u>(SUSTAINED LOSS)/RETAINED PROFIT</u>			
<u>FOR THE YEAR</u>		(2,629)	1,124
Retained Profit Brought Forward		8,931	7,807
<u>RETAINED PROFIT ON ORDINARY</u>			
<u>ACTIVITIES CARRIED FORWARD</u>		£6,302	£8,931

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes on pages 6 to 9 form part of these Financial Statements

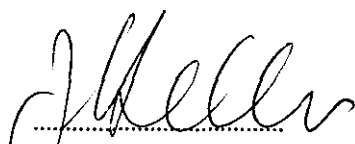
LITTLE BURTON DEVELOPMENT COMPANY LIMITED

BALANCE SHEET
AS AT
31ST OCTOBER 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
<u>FIXED ASSETS</u>			
Tangible assets	7	5,142	7,097
<u>CURRENT ASSETS</u>			
Stock	8	317,670	436,409
Debtors	9	20,973	193,066
Cash at Bank and in Hand		481,985	961,547
		820,628	1,591,022
<u>CREDITORS:</u> Amounts falling due within one year	10	(819,368)	(1,589,088)
<u>NET CURRENT ASSETS</u>		1,260	1,934
<u>NET ASSETS</u>		£6,402	£9,031
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	11	100	100
Profit and Loss Account		6,302	8,931
<u>SHAREHOLDERS' FUNDS</u>	12	£6,402	£9,031

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Directors on 30th January 2001 and signed by


J. Wheller, Esq.
Director

The notes on pages 6 to 9 form part of these Financial Statements

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST OCTOBER 2000**

1 ACCOUNTING POLICIES

The Company's Financial Statements are prepared in accordance with the United Kingdom Statements of Standard Accounting Practice and Financial Reporting Standards.

The principal accounting policies adopted are as follows:-

Cash Flow Statement

The Company qualifies as a small company under the Companies Act 1985. The Directors have elected to take advantage of the exemption under FRS1 not to prepare a Cash Flow Statement.

Turnover

Turnover comprises amounts derived from the provision of services in the normal course of business net of discounts and Value Added Tax

Depreciation

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:-

Motor Vehicles	25% on cost
Office Equipment	33 1/3% on cost

Stock and Work in Progress

Stock is stated at the lower of cost and net realisable value and represents the cost of land and sand held for resale at the Balance Sheet date. Work in progress is valued at cost of direct materials and labour plus attributable overheads where applicable.

Long Term Contracts

Turnover on long term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts. Where payments on account exceed turnover, the excess is shown under creditors due within one year as payments on account. Costs on long term contracts not yet taken to the Profit and Loss Account less related foreseeable losses and payments on account are shown in stocks as long term contract balances.

Hire Purchase

Assets acquired under hire purchase agreements are included in the Balance Sheet at cost less accumulated depreciation. The corresponding obligations under these contracts are included as creditors. The interest element of these obligations is charged to the Profit and Loss Account on a straight line basis over the life of each agreement.

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST OCTOBER 2000

2 TURNOVER

The Company's operations are considered to fall into one class of business and derive from one geographical market.

3 OPERATING PROFIT/(LOSS)

Operating Profit/(Loss) is stated after charging:-

Auditors' Remuneration (including Expenses)
Depreciation of Owned Tangible Fixed Assets
Directors' Emoluments

<u>2000</u>	<u>1999</u>
5,000	5,000
1,955	2,846
38,635	7,565

4 INTEREST PAYABLE

Bank Loans and Overdraft
Hire Purchase Agreements
Other Interest

<u>2000</u>	<u>1999</u>
634	218
0	146
1,751	0
£2,385	£364

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

UK Corporation Tax due at 20% (1999 20%) on the results for the year
Overprovision on Previous Years

<u>2000</u>	<u>1999</u>
25,167	434
0	(89)
£25,167	£345

6 DIVIDENDS

Proposed Dividend £1,000 per Ordinary Share

<u>2000</u>	<u>1999</u>
£100,000	£0

7 TANGIBLE FIXED ASSETS

Cost

At 1st November 1999 and at
31st October 2000

Depreciation:

At 1st November 1999
Charge for Year

At 31st October 2000

Net Book Value:

At 31st October 2000

At 1st November 1999

<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
£8,500	£1,083	£9,583
2,125	361	2,486
1,594	361	1,955
£3,719	£722	£4,441
£4,781	£361	£5,142
£6,375	£722	£7,097

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST OCTOBER 2000

8 STOCK

Land for Development and Sale
Sand for Resale

<u>2000</u>	<u>1999</u>
317,670	380,170
0	56,239
<u>£317,670</u>	<u>£436,409</u>

9 DEBTORS

Amounts falling due within one year

Trade Debtors
Other Debtors
Prepayments and Accrued Income

<u>2000</u>	<u>1999</u>
8,135	191,280
1,143	600
11,695	1,186
<u>£20,973</u>	<u>£193,066</u>

10 CREDITORS:

Amounts falling due within one year

Bank Overdraft
Trade Creditors
Payments on Account
Corporation Tax
Other Taxation and Social Security
Other Creditors
Proposed Dividends

<u>2000</u>	<u>1999</u>
0	194,699
593,834	526,571
63,450	641,392
25,167	2,147
30,729	216,109
6,188	8,170
100,000	0
<u>£819,368</u>	<u>£1,589,088</u>

11 SHARE CAPITAL

Authorised:

50 £1 Ordinary "A" Shares
50 £1 Ordinary "B" Shares

<u>2000</u>	<u>1999</u>
50	50
50	50
<u>£100</u>	<u>£100</u>
50	50
50	50
<u>£100</u>	<u>£100</u>

Issued and Fully Paid:

50 £1 Ordinary "A" Shares
50 £1 Ordinary "B" Shares

LITTLE BURTON DEVELOPMENT COMPANY LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST OCTOBER 2000**

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u>
Profit for the Financial Year	97,371	1,124
Dividends	(100,000)	0
(Net Reduction)/Net Addition to Shareholders' Funds	(2,629)	1,124
Opening Shareholders Funds	9,031	7,907
Closing Shareholders Funds	<u>£6,402</u>	<u>£9,031</u>

13 DIRECTORS' INTERESTS IN TRANSACTIONS

R.J. Tyson, Esq. is also a director of Walker Construction (UK) Limited. Walker Construction (UK) Limited provided the Company with services during the year totalling £1,499,725 (1999 £172,521).

At the Balance Sheet date the Company owed Walker Construction (UK) Limited £37,352 (1999 £262,991)

14 FINANCIAL COMMITMENTS

The Company has given a number of guarantees and performance bonds to Kent County Council, Water Service companies and various Home Builders totalling £3,837,500. The guarantees are indemnified by the Company's bank which are secured by fixed charges over the land at Little Burton Farm and by guarantees given by the shareholders and by the Development Contractors, Walkers Construction (UK) Limited.