

**LITTLE BURTON DEVELOPMENT COMPANY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

**Registered Number : 3094756**



**SPAIN BROTHERS**  
CHARTERED ACCOUNTANTS

# **LITTLE BURTON DEVELOPMENT COMPANY LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31ST OCTOBER 1998**

### **INDEX**

#### **Page No:**

- |     |  |
|-----|--|
| 1.  | Company Information                            |
| 2.  | Report of the Directors                        |
| 3.  | Report of the Auditors                         |
| 4.  | Profit and Loss Account                        |
| 5.  | Balance Sheet                                  |
| 6.  | Notes forming part of the Financial Statements |
| 11. | Detailed Trading and Profit and Loss Account   |

# **LITTLE BURTON DEVELOPMENT COMPANY LIMITED**

## **COMPANY INFORMATION** **FOR THE YEAR ENDED 31ST OCTOBER 1998**

Incorporated in England and Wales on 23rd August 1995.

### **CHAIRMAN**

C.J. Taylor, Esq.

### **OTHER DIRECTORS**

A.G. Fisher, Esq.  
A.S.G. Fisher, Esq.  
R.J. Tyson, Esq.

### **SECRETARY**

R.J. Tyson, Esq.

### **REGISTERED OFFICE**

Edmonton House  
Park Farm Road  
Folkestone  
Kent  
CT19 5DY

### **BANKERS**

National Westminster Bank plc  
18a Curzon Street  
London  
W1A 4ND

### **AUDITORS**

Spain Brothers & Co.  
Chartered Accountants  
29 Manor Road  
Folkestone  
Kent. CT20 2SE.

### **COMPANY NUMBER**

3094756

# **LITTLE BURTON DEVELOPMENT COMPANY LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST OCTOBER 1998**

The directors present their report together with the audited financial statements for the year ended 31st October 1998.

### **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 shares of the Company were:-

	<b><u>£1 Ordinary Shares (A &amp; B)</u></b>	
	<b><u>31st October 1998</u></b>	<b><u>1st September 1997</u></b>
S. Walker, Esq. (Resigned 30.09.98)	-	-
A.G. Fisher, Esq.	-	-
C.J. Taylor, Esq.	-	-
A.S.G. Fisher, Esq.	-	-
R.J. Tyson, Esq. (Appointed 01.10.98)	-	-

### **DIRECTORS' RESPONSIBILITIES**

Company law requires the 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 year. In preparing these 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- 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.

### **YEAR 2000 COMPLIANCE**

The directors are well aware of the Year 2000 issues. The operation of the business does not depend on a Company computer system, and has very limited dependence on computer systems of suppliers and customers.

The directors therefore feel that the exposure to risk in the event of a failure by other parties to remedy their own Year 2000 issues is minimal. The directors also believe that the Company will be able to deal with any problems that might arise without causing undue hardship to the Company and its activities.

# **LITTLE BURTON DEVELOPMENT COMPANY LIMITED**

## **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31ST OCTOBER 1998 (Continued)**

### **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 above 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 7th May 1999.**

Edmonton House  
Park Farm Road  
Folkestone  
Kent CT19 5DY

7th May 1999

**By Order of the Board**

R.J. Tyson, Esq.

  
Secretary

## **REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**

### **LITTLE BURTON DEVELOPMENT COMPANY LIMITED**

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 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.

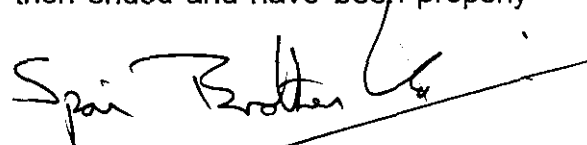
#### **BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes 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 as at 31st October 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**SPAIN BROTHERS & CO.**  
**Chartered Accountants**  
**Registered Auditors**

29 Manor Road,  
Folkestone,  
Kent.  
CT20 2SE

7th May 1999

# LITTLE BURTON DEVELOPMENT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER 1998

**Note**

**2. TURNOVER**

Cost of Sales

**GROSS PROFIT**

Administrative Expenses

**3. OPERATING PROFIT**

Interest Receivable

**4. Interest Payable**

**PROFIT ON ORDINARY  
ACTIVITIES BEFORE TAXATION**

**5. Tax on Profit on Ordinary Activities**

**PROFIT ON ORDINARY  
ACTIVITIES AFTER TAXATION**

Retained Profit Brought Forward

**RETAINED PROFIT CARRIED FORWARD**

<b><u>1998</u></b>	<b><u>Fourteen Months Ended 31.10.97</u></b>
910,000	5,185,041
(826,321)	(5,003,412)
83,679	181,629
(74,107)	(161,674)
9,572	19,955
1,486	7,314
11,058	27,269
(1,993)	(26,235)
9,065	1,034
(1,802)	(490)
7,263	544
544	-
£7,807	£544

**CONTINUING OPERATIONS**

None of the Company's activities have been acquired or discontinued during the above two years.

**TOTAL RECOGNISED GAINS AND LOSSES**

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

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

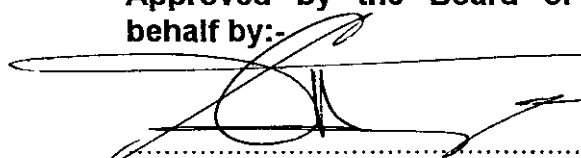
# LITTLE BURTON DEVELOPMENT COMPANY LIMITED

## BALANCE SHEET AS AT 31ST OCTOBER 1998

Note	1998	1997
<b><u>FIXED ASSETS</u></b>		
6. Tangible Assets	-	14,864
<b><u>CURRENT ASSETS</u></b>		
7. Stock	62,500	155,000
8. Debtors	924,857	272,055
Cash at Bank and in Hand	-	156,494
	987,357	583,549
9. <b><u>CREDITORS</u></b> Amounts falling due within one year	(979,450)	(596,457)
<b><u>NET CURRENT ASSETS/(LIABILITIES)</u></b>	7,907	(12,908)
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>	7,907	1,956
10. <b><u>CREDITORS</u></b> Amounts falling due after more than one year	-	(1,312)
<b><u>NET ASSETS</u></b>	£7,907	£644
<b><u>CAPITAL AND RESERVES</u></b>		
11. Called Up Share Capital	100	100
Profit and Loss Account	7,807	544
12. <b><u>SHAREHOLDERS' FUNDS</u></b>	£7,907	£644

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 Board of Directors on 7th May 1999 and signed on their behalf by:-

  
..... - Director  
C. J. Taylor Esq.

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 1998**

### **1. ACCOUNTING POLICIES**

The Company's financial statements are prepared in accordance with applicable accounting 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**

Stock is stated at the lower of cost and net realisable value and represents the cost of land held for resale at the Balance Sheet date.

#### **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.

### **2. TURNOVER**

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

### **3. OPERATING PROFIT**

**Operating Profit is stated after charging:**

Auditors' Remuneration (including expenses)	
Depreciation of Tangible Fixed Assets	
- Owned Fixed Assets	
- Assets held under Hire Purchase Contracts	
Loss on Disposal of Fixed Assets	
Directors' Emoluments	

<b><u>1998</u></b>	<b><u>Fourteen Months Ended 31.10.97</u></b>
5,000	5,000
-	550
-	3,993
4,864	-
38,157	43,359

# LITTLE BURTON DEVELOPMENT COMPANY LIMITED

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31ST OCTOBER 1998**

### 4. INTEREST PAYABLE

Bank Loans and Overdraft  
Hire Purchase Agreements  
Other Interest

<b>1998</b>	<b>Fourteen Months Ended 31.10.97</b>
1,123	25,032
870	813
-	390
<b>£1,993</b>	<b>£26,235</b>

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

UK Corporation Tax due at 21% on the results for the year

<b>1998</b>	<b>Fourteen Months Ended 31.10.97</b>
<b>£1,802</b>	<b>£490</b>

### 6. FIXED ASSETS

#### Cost

At 1st November 1997  
Disposals

At 31st October 1998

#### Depreciation

At 1st November 1997  
Disposals

At 31st October 1998

#### Net Book Value

At 31st October 1998

At 1st November 1997

<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>TOTAL</b>
17,425	1,982	19,407
(17,425)	(1,982)	(19,407)
£ -	£ -	£ -
3,993	550	4,543
(3,993)	(550)	(4,543)
£ -	£ -	£ -
£ -	£ -	£ -
<b>£13,432</b>	<b>£1,432</b>	<b>£14,864</b>

The net book value of tangible fixed assets includes £Nil in respect of assets held under hire purchase contracts. Depreciation of £Nil (1997: £3,993) has been charged on those assets in the period.

### 7. STOCK

Land for Development and Sale

<b>1998</b>	<b>1997</b>
<b>£62,500</b>	<b>£155,000</b>

# LITTLE BURTON DEVELOPMENT COMPANY LIMITED

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 1998**

### 8. **DEBTORS**

	<b>1998</b>	<b>1997</b>
Trade Debtors	923,321	152,441
V.A.T.	-	27,295
Other Debtors	100	11,280
Prepayments and Accrued Income	1,436	81,039
	<b>£924,857</b>	<b>£272,055</b>

### 9. **CREDITORS** - Amounts falling due within one year

	<b>1998</b>	<b>1997</b>
Bank Overdraft	59,502	-
Trade Creditors	876,057	543,395
Corporation Tax	1,802	490
Other Taxation and Social Security	12,638	15,516
Other Creditors	28,139	29,181
Obligations under Hire Purchase Agreements	1,312	7,875
	<b>£979,450</b>	<b>£596,457</b>

### 10. **CREDITORS** - Amounts falling due after more than one year

	<b>1998</b>	<b>1997</b>
Obligations under Hire Purchase Agreements	£ -	£1,312

(a) The Company has given a number of guarantees and performance bonds to Kent County Council and Water Service companies totalling £600,000. 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, RSR Developments Limited and by the Development Contractors, Walkers Construction (UK) Limited.

(b) Obligations under hire purchase agreements, which are secured on the assets concerned, are repayable as follows:-

	<b>1998</b>	<b>1997</b>
Within one year	1,457	8,745
Between two and five years	-	1,457
	<b>1,457</b>	<b>10,202</b>
Interest thereon	(145)	(1,015)
	<b>£1,312</b>	<b>£9,187</b>

# LITTLE BURTON DEVELOPMENT COMPANY LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 1998

### 11. SHARE CAPITAL

#### Authorised

50 £1 Ordinary "A" Shares

50 £1 Ordinary "B" Shares

#### Issued and Fully Paid

50 £1 Ordinary "A" Shares

50 £1 Ordinary "B" Shares

<u>1998</u>	<u>1997</u>
50	50
50	50
£100	£100
50	50
50	50
£100	£100

### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the Year and Net Addition  
to Shareholders' Funds

Opening Shareholders' Funds

#### Closing Shareholders' Funds

<u>1998</u>	<u>1997</u>
7,263	544
644	100
£7,907	£644

### 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 £321,197 (1997: £1,601,929).

At the Balance Sheet date the Company owed Walker Construction (UK) Limited £275,020 (1997: £72,000).

The Company purchased the development land from A. G. Fisher Esq. on 30th September 1996 for the sum of £1,500,000.