

TUFTON DEVELOPMENTS LIMITED

Registered No. 3423317

Directors' Report and Accounts

31st December 2000

The Directors present their annual report and the audited accounts for the year ended 31st December 2000. This report should be read in conjunction with the statements on pages 3 to 5 of these accounts.

Principal Activities and Business Review

The Company trades as a property developer. Turnover for the year was £15,184,000 (1999: £1,311,000) and the trading profit was £1,659,221 (1999: £734,000). Movements to and from reserves are shown in Note 13.

Dividends

The Directors recommend a final dividend of £500,000 per share (1999: £nil).

Directors and Directors' Interests

The Directors of the Company during the year were as follows:

Mr J W Adams
Mr K B Duggan

The Directors of the Company have no interests in the shares of the Company. Mr Adams is also a Director of United House Group Limited, the Company's ultimate parent undertaking. His interests in the shares of that company are disclosed in the accounts of that company as appropriate.

Auditors

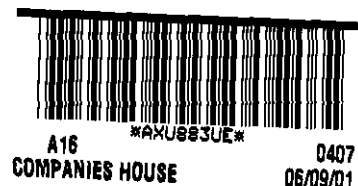
In accordance with Section 385 of the Companies Act 1985, a resolution for the appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board



S Cross
Company Secretary

United House
Goldsel Road
Swanley
Kent BR8 8EX



TUFTON DEVELOPMENTS LIMITED

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the profit or loss for that period. In preparing those accounts 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 accounts;
- prepare accounts 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 enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Report of the Auditors, KPMG, to the Members of Tufton Developments Limited

We have audited the financial statements on pages 3 to 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described above, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 with the Company is not disclosed.

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 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG


London

3rd September 2001

**Chartered Accountants
Registered Auditors**

TUFTON DEVELOPMENTS LIMITED

Profit and Loss Account For the period ended 31st December 2000

	<i>Note</i>	2000 £000	1999 £000
Turnover	2	15,184	1,311
Cost of sales		<u>(10,725)</u>	<u>(576)</u>
Gross profit		4,459	735
Administration expenses		<u>(2,800)</u>	<u>(1)</u>
Operating profit on ordinary activities		1,659	734
Interest payable and similar charges	3	<u>-</u>	<u>-</u>
Operating profit on ordinary activities before taxation	4	1,659	734
Taxation on profit on ordinary activities	7	<u>(500)</u>	<u>(220)</u>
Profit on ordinary activities after taxation		1,159	514
Dividends paid or payable	8	<u>(1,000)</u>	<u>-</u>
Retained profit for the financial year		<u>159</u>	<u>514</u>

Reconciliation of Movements in Shareholders' Funds For the period ended 31st December 2000


	2000 £000	1999 £000
Retained profit for the financial year	159	514
Shareholders' funds brought forward	<u>515</u>	<u>1</u>
Shareholders' funds carried forward	<u>674</u>	<u>515</u>

The results stated above all relate to continuing operations. Historical cost profits and losses are not materially different from those shown above. There are no recognised gains or losses other than those shown above.

Balance Sheet At 31st December 2000

	<i>Note</i>	2000 £000	1999 £000
Fixed assets – Investments	9	-	-
Current assets			
Work in progress		2,458	9,877
Debtors	10	125	1,311
Cash at bank and in hand		<u>1</u>	<u>6</u>
		2,584	11,194
Creditors: amounts falling due within one year	11	<u>(1,910)</u>	<u>(10,679)</u>
Net current assets		<u>674</u>	<u>515</u>
Capital and Reserves			
Called up share capital	12	-	-
Profit and loss account	13	<u>674</u>	<u>515</u>
Equity Shareholders' funds		<u>674</u>	<u>515</u>

These accounts were approved by the Board of Directors on 3rd September 2001.


J W Adams, Director

The notes on pages 4 and 5 form part of these accounts.

TUFTON DEVELOPMENTS LIMITED

Period ended 31st December 2000

Notes to the Accounts

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts:

(a) Basis of accounting

The accounts have been prepared, on the going concern basis, in accordance with applicable accounting standards and under the historical cost convention.

(b) Work in progress

Work in progress is valued at the lower of cost and net realisable value. Cost includes all production overheads and the attributable proportion of indirect overhead expenses. Cost also includes financing costs where loans are taken out to directly fund property development projects.

(c) Cash flow statement

The Company is not required to present a cash flow statement as it is a wholly owned subsidiary undertaking of a parent undertaking that is registered in England and Wales.

2. Turnover

Turnover represents the total amount receivable by the Company for goods sold, work done and services rendered during the year and is exclusive of VAT. The Company trades in the South East of England and turnover arises principally from property developments.

3. Interest payable and similar charges

	2000	1999
	£000	£000
Amounts payable on bank loans and overdrafts	319	194
Interest capitalised on development projects	<u>(319)</u>	<u>(194)</u>
	<u>—</u>	<u>—</u>

4. Profit on ordinary activities before taxation

The total auditors' remuneration and expenses for Tufton Developments Limited are shown in the accounts of another member of the United House Group Limited group of companies, Chart Holdings Limited.

5. Emoluments of the Directors

No Director received any emolument from the Company during the period (1999 £nil).

6. Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the period was 2 (1999:2) The aggregate payroll costs of these persons were £nil (1999: £nil).

7. Taxation on profit on ordinary activities

	2000	1999
	£000	£000
Corporation tax on profit for the year	498	220
Under provision for previous years	<u>2</u>	<u>—</u>
	<u>500</u>	<u>220</u>

8. Dividends

	2000	1999
	£000	£000
Dividends paid or payable, £500,000 per share (1999: nil)	<u>1,000</u>	<u>—</u>

TUFTON DEVELOPMENTS LIMITED

Period ended 31st December 2000

Notes to the Accounts

9. Fixed asset investments

	2000	1999
	£	£
Cost of shares in subsidiary undertaking	<u>2</u>	<u>-</u>

Shares in subsidiary undertakings are carried at cost less dividends paid out of pre-acquisition reserves. The Company has one subsidiary undertaking, Millicent Court Management Ltd, which is registered in England and Wales. The Company owns 100% of the ordinary shares.

10. Debtors: Amounts falling due within one year

	2000	1999
	£000	£000
Trade debtors	117	1,311
Other taxes	<u>8</u>	<u>-</u>
	<u>125</u>	<u>1,311</u>

11. Creditors: Amounts falling due within one year

	2000	1999
	£000	£000
Bank Loans and Overdrafts	-	6,184
Amount due to parent undertaking	1,204	4,214
Corporation Tax	498	220
Accruals and deferred income	198	61
Other creditors	<u>10</u>	<u>-</u>
	<u>1,910</u>	<u>10,679</u>

12. Share capital

	2000	1999
	£	£
Authorised: 1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid: 2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

13. Profit and loss account

	£000
Balance at 1 January 2000	515
Retained profit for the financial year	<u>159</u>
Balance as at 31 December 2000	<u>674</u>

14. Ultimate parent undertaking

The Company is a direct subsidiary undertaking of United House Limited, which is registered in England and Wales. The Company's ultimate parent undertaking is United House Group Limited, registered in England and Wales.

15. Commitments

There were no capital commitments at either 31st December 1999 or 2000 for which provision had not been made.

16. Related parties

As the Company is a wholly owned subsidiary of United House Limited and 100% of the Company's voting rights are controlled within the group headed by United House Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of United House Limited, within which this Company is included, can be obtained from the address given on page 1.