

# TUFTON DEVELOPMENTS LIMITED

Registered No. 3423317

## Directors' Report and Accounts

31 December 2004

The Directors present their annual report and the audited accounts for the year ended 31 December 2004. This report should be read in conjunction with the statements on pages 4 to 7 of these accounts.

### Principal Activities and Business Review

The Company trades as a property developer. Turnover for the year was £nil (2003: £nil) and the loss before taxation was £1,000 (2003: £6,000). The Directors do not recommend the payment of a dividend (2003: £nil). Movements to and from reserves are shown in Note 10.

### Post Balance Sheet Event

On 4 January 2005, the group was restructured to reflect the reality of current operations. The issued share capital of the Company was transferred to United House Group Limited (by way of a dividend in specie), then on 5 January 2005 to UHG Limited, a subsidiary of United House Group Limited, and finally to Modern City Living Limited, a subsidiary of UHG Limited. United House Group Limited remains the Company's ultimate parent undertaking.

### 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 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board



E Driver  
Company Secretary

18 July 2005

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 of 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 independent auditors to the members of Tufton Developments Limited**

We have audited the financial statements on pages 4 to 7.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, 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 1985. 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 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

**KPMG LLP  
Chartered Accountants  
Registered Auditor**

**18 July 2005**

**1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT**

# TUFTON DEVELOPMENTS LIMITED

## Profit and Loss Account For the year ended 31 December 2004

	<i>Note</i>	2004 £000	2003 £000
<b>Turnover</b>	2	-	-
Cost of sales		(1)	(4)
<b>Gross loss</b>		(1)	(4)
Administration expenses		-	(2)
<b>Operating loss</b>		(1)	(6)
Other interest receivable and similar income		-	-
<b>Loss on ordinary activities before taxation</b>	3	(1)	(6)
Taxation on loss on ordinary activities	6	1	1
<b>Retained result for the financial year</b>		-	(5)

## Reconciliation of Movements in Shareholders' Funds For the year ended 31 December 2004

	2004 £000	2003 £000
Result for the financial year	-	(5)
Opening shareholders' (deficit) / funds	(2)	3
Closing shareholders' deficit	(2)	(2)

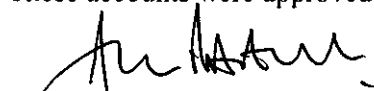
The results stated above all relate to continuing operations. Historical cost profits and losses are not materially different from those shown above. There are no recognised gains or losses other than those shown above.

Movements in reserves are shown in Note 10.

## Balance Sheet At 31 December 2004

	<i>Note</i>	2004 £000	2003 £000
<b>Current assets</b>			
Debtors	7	5	1
Cash at bank and in hand		-	8
		5	9
Creditors: amounts falling due within one year	8	(7)	(11)
<b>Net current liabilities</b>		(2)	(2)
<b>Capital and Reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	(2)	(2)
Equity Shareholders' deficit		(2)	(2)

These accounts were approved by the Board of Directors on 18 July 2005.



**J W Adams, Director**

The notes on pages 5 to 7 form part of these accounts.

# TUFTON DEVELOPMENTS LIMITED

Year ended 31 December 2004

## 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. The ultimate parent undertaking United House Group Limited, a company incorporated in the United Kingdom, has undertaken to provide sufficient funds for the Company to meet its liabilities. Accordingly, the financial statements have been prepared on a going concern basis.

#### (b) Cash flow statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement under the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

#### (c) Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

### 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. Turnover arising from residential and commercial property sales is recognised on legal completion.

### 3. Loss on ordinary activities before taxation

The total auditors' remuneration for Tufton Developments Limited was borne by its immediate parent Company, United House Limited. The auditors' remuneration for other services for the year was £1,095 (2003: £3,105).

### 4. Emoluments of the Directors

No Director received any emolument from the Company during the year (2003: £nil).

### 5. Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the year was 2 (2003: 2). The aggregate payroll costs of these persons were £nil (2003: £nil).

# TUFTON DEVELOPMENTS LIMITED

Year ended 31 December 2004

## Notes to the Accounts

### 6. Taxation on loss on ordinary activities

	2004 £000	2003 £000
<i>UK Corporation Tax</i>		
Group relief surrendered	-	(1)
Adjustments for prior periods	(1)	-
Total current tax	(1)	(1)
Deferred tax	-	-
Tax on loss on ordinary activities	(1)	(1)

The current tax charge for the period is equal to the standard rate of corporation tax in the UK of 19% (2003: 10%)

The differences are explained below:

Loss on ordinary activities before taxation	(1)	(6)
Current tax at 19% (2003: 10%)	-	(1)
<i>Effects of</i>		
Adjustments in respect of prior periods	(1)	-
Total current tax charge	(1)	(1)

### 7. Debtors: Amounts falling due within one year

	2004 £000	2003 £000
Amount due from parent undertaking	5	-
Group relief receivable	-	1
	5	1

### 8. Creditors: Amounts falling due within one year

	2004 £000	2003 £000
Amount due to parent undertaking	-	4
Accruals and deferred income	1	1
Other creditors	6	6
	7	11

### 9. Share capital

	2004 £	2003 £
Authorised: 1,000 Ordinary Shares of £1 each	1,000	1,000
Allotted, called up and fully paid: 2 Ordinary Shares of £1 each	2	2

# TUFTON DEVELOPMENTS LIMITED

Year ended 31 December 2004

## Notes to the Accounts

<b>10. Profit and loss account</b>	<b>£000</b>
Balance at 1 January 2004	(2)
Retained result for the financial year	-
Balance as at 31 December 2004	<u>(2)</u>

**11. Post Balance Sheet Event**

On 4 January 2005, the group was restructured to reflect the reality of current operations. The issued share capital of the Company was transferred to United House Group Limited (by way of a dividend in specie), then on 5 January 2005 to UHG Limited, a subsidiary of United House Group Limited and finally to Modern City Living Limited, a subsidiary of UHG Limited. United House Group Limited remains the Company's ultimate parent undertaking.

**12. Related parties**

As the Company is a wholly owned subsidiary of United House Group Limited and 100% of the Company's voting rights are controlled within the group headed by United House Group 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 Group Limited, within which this Company is included, can be obtained from the address given on page 1.

**13. Ultimate parent undertaking**

At 31 December 2004 the Company was a direct subsidiary undertaking of United House Limited, which is registered in England and Wales. On 4 January 2005 the Company's issued share capital was transferred to United House Group Limited and then on 5 January 2005 to UHG Limited and then to Modern City Living Limited. The company is now a direct subsidiary of Modern City Living Limited, which is registered in England and Wales. Modern City Living Limited is a direct subsidiary of UHG Limited, which is a subsidiary of United House Group Limited. United House Group Limited, registered in England and Wales, remains the Company's ultimate parent undertaking.