

# TUFTON DEVELOPMENTS LIMITED

Registered No. 3423317

## Directors' Report and Accounts

31 December 2002

The Directors present their annual report and the audited accounts for the year ended 31 December 2002. 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 £245,000 (2001: £3,399,000) and the trading profit was £191,000 (2001: £135,000). Movements to and from reserves are shown in Note 12.

### Dividends

The Directors recommend a final dividend of £75,000 per share (2001: £375,000 per share).

### 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 reappointment of KPMG LLP 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.

# **TUFTON DEVELOPMENTS LIMITED**

## **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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG LLP**  
**Chartered Accountants**  
**Registered Auditor**

**8 Salisbury Square**  
**London**  
**EC4Y 8BB**

**24 July 2003**

# TUFTON DEVELOPMENTS LIMITED

## Profit and Loss Account For the year ended 31 December 2002

	<i>Note</i>	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b>
Turnover	2	245	3,399
Cost of sales		<u>14</u>	<u>(2,521)</u>
Gross profit		259	878
Administration expenses		(150)	(750)
Other operating income		<u>70</u>	<u>-</u>
Operating profit on ordinary activities		179	128
Other interest receivable and similar income		<u>12</u>	<u>7</u>
Operating profit on ordinary activities before taxation	3	191	135
Taxation on profit on ordinary activities	6	<u>(57)</u>	<u>(40)</u>
Profit on ordinary activities after taxation		134	95
Dividends paid or payable	7	<u>(150)</u>	<u>(750)</u>
Retained loss for the financial year		<u>(16)</u>	<u>(655)</u>

## Reconciliation of Movements in Shareholders' Funds For the year ended 31 December 2002

	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b>
Retained loss for the financial year	(16)	(655)
Shareholders' funds brought forward	<u>19</u>	<u>674</u>
Shareholders' funds carried forward	<u>3</u>	<u>19</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.

Movements in reserves are shown in Note 12.

## Balance Sheet At 31 December 2002

	<i>Note</i>	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b>
<b>Fixed assets – Investments</b>	8	-	-
<b>Current assets</b>			
Work in progress		-	-
Debtors	9	73	155
Cash at bank and in hand		<u>-</u>	<u>1</u>
		73	156
Creditors: amounts falling due within one year	10	<u>(70)</u>	<u>(137)</u>
Net current assets		<u>3</u>	<u>19</u>
<b>Capital and Reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	<u>3</u>	<u>19</u>
Equity Shareholders' funds		<u>3</u>	<u>19</u>

These accounts were approved by the Board of Directors on 24 July 2003.

  
**J W Adams, Director**

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

# **TUFTON DEVELOPMENTS LIMITED**

**Year ended 31 December 2002**

## **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. The Company has adopted FRS18, Accounting policies, and FRS19, Deferred tax, in these financial statements. The adoption has no material impact on the financial statements of the Company.

#### *(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 directly to fund property development projects.

#### *(c) 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.

#### *(d) Group accounts*

The Company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

#### *(e) Investments*

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.

#### *(f) 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 and turnover arises principally from property developments.

### **3. Profit on ordinary activities before taxation**

The total auditors' remuneration and expenses for Tufton Developments Limited are shown in the accounts of its immediate parent Company, United House Limited.

### **4. Emoluments of the Directors**

No Director received any emolument from the Company during the period (2001: £nil).

# TUFTON DEVELOPMENTS LIMITED

Year ended 31 December 2002

## Notes to the Accounts

**5. Staff numbers and costs**

The average number of persons employed by the Company (including Directors) during the period was 2 (2001: 2) The aggregate payroll costs of these persons were £nil (2001: £nil).

**6. Taxation on profit on ordinary activities**

	2002	2001
	£000	£000
<i>UK Corporation Tax</i>		
Corporation tax for the year	57	40
Adjustments for prior periods	<u>-</u>	<u>-</u>
Total current tax	57	40
Deferred tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u><u>57</u></u>	<u><u>40</u></u>

The current tax charge for the period is equal to the standard rate of corporation tax in the UK of 30%.

The differences are explained below:

Profit on ordinary activities before taxation	<u>191</u>	<u>135</u>
Current tax at 30%	<u><u>57</u></u>	<u><u>40</u></u>

**7. Dividends**

	2002	2001
	£000	£000
Dividends paid £75,000 per share (2001: £375,000 per share)	<u>150</u>	<u>750</u>

**8. Fixed asset investments**

	2002	2001
	£	£
Cost of shares in subsidiary undertaking	<u>2</u>	<u>2</u>

**9. Debtors: Amounts falling due within one year**

	2002	2001
	£000	£000
Amount due from parent undertaking	62	-
Trade debtors	5	155
Other taxes	1	-
Prepayments and accrued income	<u>5</u>	<u>-</u>
	<u><u>73</u></u>	<u><u>155</u></u>

**10. Creditors: Amounts falling due within one year**

	2002	2001
	£000	£000
Amount due to parent undertaking	-	51
Corporation tax	57	40
Accruals and deferred income	7	40
Other creditors	<u>6</u>	<u>6</u>
	<u><u>70</u></u>	<u><u>137</u></u>

# TUFTON DEVELOPMENTS LIMITED

Year ended 31 December 2002

## Notes to the Accounts

- |  | 2002         | 2001         |
|--|--------------|--------------|
|  | £            | £            |
| <b>11. Share capital</b>   |              |              |
| 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>     |
- 
- |  |             |
|--|-------------|
| <b>12. Profit and loss account</b>     | <b>£000</b> |
| Balance at 1 January 2002              | 19          |
| Retained profit for the financial year | <u>(16)</u> |
| Balance as at 31 December 2002         | <u>3</u>    |
- 
- 13. 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.
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- 14. Commitments**  
There were no capital commitments at either 31 December 2001 or 2002 for which provision had not been made.
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- 15. 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.