

Company Registration No. 3751909 (England and Wales)

BUXTON HOMES (SOUTHWARK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2001



BUXTON HOMES (SOUTHWARK) LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | K. R. Carr P. A. Davies |
| Secretary | K. R. Carr |
| Company number | 3751909 |
| Registered office | Cedar House, 91 High Street Caterham Surrey CR3 5UH |
| Auditors | Lawrence Wong & Co 2 Parkfield Gardens Harrow Middlesex HA2 6JR |
| Business address | Cedar House, 91 High Street Caterham Surrey CR3 5UH |

BUXTON HOMES (SOUTHWARK) LIMITED

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BUXTON HOMES (SOUTHWARK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2001

The directors present their report and financial statements for the year ended 31 July 2001.

Principal activities

The principal activity of the company continued to be that of trading in residential properties.

Directors

The following directors have held office since 1 August 2000:

K. R. Carr
P. A. Davies

Directors' interests

The directors' interests in the shares of the company were as stated below:

| | Ordinary shares of £ 1 each | |
|--------------|-----------------------------|---------------|
| | 31 July 2001 | 1 August 2000 |
| K. R. Carr | - | - |
| P. A. Davies | - | - |

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Messrs. Lawrence Wong & Co., be reappointed as auditors of the company will be put to the Annual General Meeting.

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 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 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.

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

On behalf of the board



K. R. Carr
Director

7 December 2001

BUXTON HOMES (SOUTHWARK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUXTON HOMES (SOUTHWARK) LIMITED

We have audited the financial statements of BUXTON HOMES (SOUTHWARK) LIMITED on pages 3 to 8 for the year ended 31 July 2001. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out herein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 July 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Lawrence Wong & Co

Chartered Accountants
Registered Auditor

7 December 2001

2 Parkfield Gardens
Harrow
Middlesex
HA2 6JR

BUXTON HOMES (SOUTHWARK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2001

| | Notes | 2001 £ | 2000 £ |
|---|----------|---------------|-----------------|
| Turnover | | 58,151 | - |
| Cost of sales | | (19,575) | - |
| Gross profit | | 38,576 | - |
| Administrative expenses | | (626) | (400) |
| Operating profit/(loss) | 2 | 37,950 | (400) |
| Interest payable and similar charges | | (36,138) | (44,685) |
| Profit/(loss) on ordinary activities before taxation | | 1,812 | (45,085) |
| Tax on profit/(loss) on ordinary activities | 3 | - | - |
| Profit/(loss) on ordinary activities after taxation | 9 | 1,812 | (45,085) |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BUXTON HOMES (SOUTHWARK) LIMITED

BALANCE SHEET AS AT 31 JULY 2001

| | Notes | 2001 £ | £ | 2000 £ | £ |
|--|-------|--------------------|--------------------|--------------------|-----------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 2,800,000 | | - |
| Current assets | | | | | |
| Stocks | | - | | 1,540,800 | |
| Debtors | 5 | 56,580 | | 2 | |
| Cash at bank and in hand | | 15,621 | | - | |
| | | <u>72,201</u> | | <u>1,540,802</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(1,033,068)</u> | | <u>(1,585,885)</u> | |
| Net current liabilities | | | <u>(960,867)</u> | | <u>(45,083)</u> |
| Total assets less current liabilities | | | 1,839,133 | | (45,083) |
| Creditors: amounts falling due after more than one year | 7 | | <u>(1,690,000)</u> | | - |
| | | | <u>149,133</u> | | <u>(45,083)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 2 | | 2 |
| Revaluation reserve | 9 | | 192,404 | | - |
| Profit and loss account | 9 | | <u>(43,273)</u> | | <u>(45,085)</u> |
| Shareholders' funds - equity interests | 10 | | <u>149,133</u> | | <u>(45,083)</u> |

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

The financial statements were approved by the Board on 7 December 2001



K. R. Carr
Director

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover, which is stated net of value added tax, includes rental income, sale of land, completed developments and the proportion of sales where contracts have been exchanged that relates to the state of completion of developments together with amounts invoiced or certificated during the year for contract building work and fees.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

Work in progress is valued on the basis of cost of materials, labour and direct site expenses plus an appropriate proportion of overhead expenses less progress payments received adjusted for realised profits where appropriate.

Contracts where the work is expected to extend for a period exceeding one year, are valued at cost plus attributable profit less any foreseeable losses. Attributable profit is that amount which is estimated to reflect fairly the profit arising on the current contracts up to the balance sheet date. Foreseeable losses are those contracts after taking into account costs, including appropriate overheads to be incurred in the future.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

| 2 | Operating profit/(loss) | 2001 | 2000 |
|---|---|------|------|
| | | £ | £ |
| | Operating profit/(loss) is stated after charging: | | |
| | Auditors' remuneration | 588 | 400 |

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2001

3 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

4 Tangible fixed assets

| | Investment properties £ |
|--------------------------|-------------------------------|
| Cost or valuation | |
| At 1 August 2000 | - |
| Additions | 2,607,596 |
| Revaluation | 192,404 |
| | <hr/> |
| At 31 July 2001 | 2,800,000 |
| | <hr/> |

The valuations of investment properties were made as at 4 July 2001 by Messrs Chesterton, Chartered Surveyors, on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £2,607,596.

| 5 Debtors | 2001 £ | 2000 £ |
|-------------------------------|-----------|-----------|
| Other debtors and prepayments | 56,580 | 2 |
| | <hr/> | <hr/> |

| 6 Creditors: amounts falling due within one year | 2001 £ | 2000 £ |
|--|-----------|-----------|
| Bank loans and overdrafts | 60,000 | 916,299 |
| Other creditors and accruals | 973,068 | 669,586 |
| | <hr/> | <hr/> |
| | 1,033,068 | 1,585,885 |
| | <hr/> | <hr/> |

The bank loan is secured by a fixed and floating charge over the assets of the company.

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2001

| 7 | Creditors: amounts falling due after more than one year | 2001 £ | 2000 £ |
|---|---|-----------|-----------|
| | Bank loans | 1,690,000 | - |
| | Analysis of loans | | |
| | Wholly repayable within term of loan | 1,750,000 | - |
| | Included in current liabilities | (60,000) | - |
| | | 1,690,000 | - |
| | Loan maturity analysis | | |
| | In more than one year but not more than two years | 60000 | - |
| | In more than two years but not more than five years | 240000 | - |
| | In more than five years | 1390000 | - |

The bank loan is secured by a fixed and floating charge over the assets of the company. The loan facility was dated 24.07.01 and is repayable over 20 years and interest is calculated at 1.6% over the bank base rate.

| 8 | Share capital | 2001 £ | 2000 £ |
|---|---|-----------|-----------|
| | Authorised | | |
| | 100 Ordinary shares of £ 1 each | 100 | 100 |
| | Allotted, called up and fully paid | | |
| | 2 Ordinary shares of £ 1 each | 2 | 2 |

9 Statement of movements on reserves

| | Revaluation reserve £ | Profit and loss account £ |
|------------------------------|-----------------------------|---------------------------------|
| Balance at 1 August 2000 | - | (45,085) |
| Retained profit for the year | - | 1,812 |
| Revaluation during the year | 192,404 | - |
| Balance at 31 July 2001 | 192,404 | (43,273) |

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2001

| 10 Reconciliation of movements in shareholders' funds | 2001 | 2000 |
|--|----------------|-----------------|
| | £ | £ |
| Profit/(loss) for the financial year | 1,812 | (45,085) |
| Other recognised gains and losses | 192,404 | - |
| Proceeds from issue of shares | - | 2 |
| | <hr/> | <hr/> |
| Net addition to/(depletion in) shareholders' funds | 194,216 | (45,083) |
| Opening shareholders' funds | (45,083) | - |
| | <hr/> | <hr/> |
| Closing shareholders' funds | <u>149,133</u> | <u>(45,083)</u> |