

Parkridge Developments (Redditch) Limited

**Directors' report and financial
statements**

Registered number 3832106

For the year ended 31 August 2002



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Directors' report

The directors present their annual report and audited financial statements for the year ended 31 August 2002.

Principal activities

The principal activity of the company is property development.

Review of the business

The company has not traded during the year.

The results for the company are set out in the profit and loss account on page 4.

No dividends were paid or proposed in the period.

Directors and directors' interests

The current directors and those who served during the year are shown below:

AJ Stainforth
JC Cutts
PT O'Callaghan
CV Navato

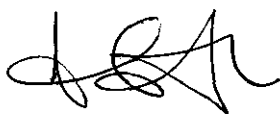
JC Cutts, AJ Stainforth and PT O'Callaghan are also directors of Parkridge Holdings Limited, of which the company is a subsidiary, and their interests in the shares of group undertakings are shown in the financial statements of that company.

None of the other directors who held office during the period had any interests in the share capital of the company.

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.

Approved by the board and signed on its behalf



AJ Stainforth
Director

The Gatehouse
16 Arlington Street
London

7 February 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 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;
- state whether applicable accounting standards have been followed, 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 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.



2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Parkridge Developments (Redditch) Limited

We have audited the financial statements on pages 4 to 8.

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 audit 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 August 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

7 February 2003

Profit and loss account
for the year ended 31 August 2002

	<i>Note</i>	2002 £	2001 £
Administrative expenses		(4,650)	(5,300)
Operating loss	3	(4,650)	(5,300)
Loss on ordinary activities before tax		(4,650)	(5,300)
Tax on loss on ordinary activities	4	-	-
Retained loss for the period	8	(4,650)	(5,300)

The company had no recognised gains or losses, other than the loss for that period, in either the current or preceding period, all of which derived from continuing operations.

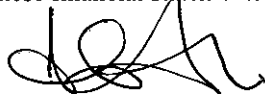
Movements on reserves are set out in note 8 to the financial statements.

Balance sheet

at 31 August 2002

	<i>Note</i>	2002 £	2001 £
Current assets			
Debtors	5	1,000	1,000
Creditors: Amounts falling due within one year	6	(9,950)	(5,300)
Net current liabilities		<u>(8,950)</u>	<u>(4,300)</u>
Net liabilities		<u>(8,950)</u>	<u>(4,300)</u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account	8	(9,950)	(5,300)
Equity shareholders' funds	9	<u>(8,950)</u>	<u>(4,300)</u>

These financial statements were approved by the board of directors on 7 February 2003 and signed on its behalf by:



AJ Stainforth
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The financial statements have been prepared on a going concern basis as the parent company has undertaken to provide such financial support to the company as is required to enable it to meet its liabilities as they fall due for at least the next 12 months.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between profits as computed for taxation purposes and profits as stated in the financial statements. Provision is made for deferred tax only to the extent that there is a reasonable probability that such timing differences will reverse in the foreseeable future.

2 Staff numbers and costs

The company had no employees other than the directors who received no remuneration during the period.

3 Loss on ordinary activities before taxation

	2002 £	2001 £
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit services	5,150	3,900
Non-audit services	-	500
	<hr/>	<hr/>

Notes (continued)

4 Taxation

Analysis of charge in period

	2002 £	2001 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax credit for the period is lower (2001: lower) than the standard rate of corporation tax in the UK 30% (2001: 30%). The differences are explained below.

	2002 £	2001 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	4,650	5,300
	<hr/>	<hr/>
Current tax at 30% (2001: 30%)	(1,395)	(1,590)
	<hr/>	<hr/>
<i>Effects of:</i>		
Tax losses surrendered	1,395	1,590
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

5 Debtors

	2002 £	2001 £
Amounts owed by group undertakings	1,000	1,000
	<hr/>	<hr/>

6 Creditors: Amounts falling due within one year

	2002 £	2001 £
Amount owed to parent undertakings	8,450	4,800
Accruals and deferred income	1,500	500
	<hr/>	<hr/>
	9,950	5,300
	<hr/>	<hr/>

7 Called up share capital

	2002 £	2001 £
<i>Authorised, allotted, issued and fully paid:</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

Notes (continued)

8 Profit and loss account

	£
At beginning of period	(5,300)
Retained loss for the period	(4,650)
	<hr/>
At end of period	(9,950)
	<hr/>

9 Reconciliation in movement in shareholders' funds

	2002 £	2001 £
Opening shareholders' funds	(4,300)	1,000
Retained loss for the period	(4,650)	(5,300)
	<hr/>	<hr/>
Closing shareholders' funds	(8,950)	(4,300)
	<hr/>	<hr/>

10 Related party disclosures

At 31 August 2002, the material balances outstanding with related parties were as follows:

	2002 £
Debtors:	
Parkridge Developments Limited	1,000
	<hr/>
Creditors:	
Parkridge Holdings Limited	8,450
	<hr/>

Transactions during the year represent costs incurred by the Company which have been paid by Parkridge Holdings Limited.

11 Ultimate parent undertaking

The company is a wholly owned subsidiary of Parkridge Developments Limited, a company registered in England and Wales. The ultimate parent undertaking is Parkridge Holdings Limited, a company registered in England and Wales.

12 Contingent liabilities

The company is party to a group guarantee for a £1,500,000 overdraft facility. The net amount drawn down by the group at 31 August 2002 is £Nil (2001: £1,118,402).

The facility is secured by a debenture over the assets of Parkridge Homes Limited, first legal charge over certain development sites held by Parkridge Homes Limited and first legal charge over the freehold property held by Parkridge Holdings Limited. The overdraft is repayable on demand and interest is charged at 1.5% over the Royal Bank of Scotland's base rate.