

KNOWLE HOUSE DEVELOPMENT LIMITED

ACCOUNTS

30 June 2006

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N R PULVER & CO
Chartered Accountants

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MONDAY



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COMPANIES HOUSE

Company Registration Number 4457481

KNOWLE HOUSE DEVELOPMENT LIMITEDREPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and the accounts of the Company for the year ended 30 June 2006.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was in the field of building construction.

REVIEW OF THE BUSINESS

The results of the Company for the year under review are shown on page 3. The state of the Company's affairs at 30 June 2006 was not satisfactory.

DIRECTORS

The directors in office during the year and their interest in the issued ordinary share capital of the Company were as follows:-

| | <u>30 June 2006</u> | <u>1 July 2005</u> |
|-----------|---------------------|--------------------|
| G Cleaver | 2,500 | 2,500 |
| J Seymour | 2,500 | 2,500 |

DIVIDENDS

The directors did not recommend the payment of a dividend for the financial year currently under review.

FIXED ASSETS

Details of changes to the fixed assets of the Company are shown at note 7 to the accounts.

Signed on behalf of the Board



Chairman

2007

KNOWLE HOUSE DEVELOPMENT LIMITEDProfit and Loss Account
Year ended 30 June 2006

| | <u>Notes</u> | <u>2006</u> | <u>2005</u> |
|--|--------------|-------------|-------------|
| | | £ | £ |
| Income | 2 | 3,187,918 | 1,888,772 |
| Development costs | | 2,918,736 | 1,808,966 |
| | | ----- | ----- |
| Gross profit | | 269,182 | 79,806 |
| <u>Less expenses:</u> | | | |
| Administration & General Expenses | 215,271 | 117,881 | |
| Selling & distribution expenses | 42,500 | 40,078 | |
| | ----- | ----- | ----- |
| | | 257,771 | 157,959 |
| | | ----- | ----- |
| Operating profit/(loss) | 3 | 11,411 | (78,153) |
| Interest receivable | | 1,381 | 1,719 |
| Interest payable | 5 | (4,436) | (787) |
| | | ----- | ----- |
| Profit/(Loss) on ordinary activities before taxation | | 8,359 | (77,221) |
| Corporation tax | 6 | (1,430) | 13,939 |
| | | ----- | ----- |
| Profit/(Loss) on ordinary activities after taxation | | 6,929 | (63,282) |
| Dividends | | - | - |
| | | ----- | ----- |
| RETAINED PROFIT/(LOSS) FOR THE YEAR | | 6,929 | (63,282) |
| RETAINED LOSS BROUGHT FORWARD | | (50,426) | 12,856 |
| | | ----- | ----- |
| RETAINED LOSS CARRIED FORWARD | | (43,497) | (50,426) |
| | | ===== | ===== |

None of the Company's activities were acquired or discontinued during the financial year.

The Company made no recognised gains or losses in the year ended 30 June 2006 other than the profit for the year.

The notes on pages 4 to 6 form part of these accounts.

KNOWLE HOUSE DEVELOPMENT LIMITEDBalance Sheet
30 June 2006

| | <u>Notes</u> | <u>2006</u> £ | <u>2005</u> £ |
|-----------------------------|--------------|------------------|------------------|
| FIXED ASSETS | 7 | | |
| Tangible assets | | 39,622 | 32,953 |
| CURRENT ASSETS | | | |
| Work in progress | | 83,659 | 97,564 |
| Debtors | 8 | 457,912 | 485,420 |
| Cash at bank and in hand | | 36,226 | 63,749 |
| | | ----- | ----- |
| | | 577,797 | 646,733 |
| CREDITORS | 9 | | |
| Amounts due within one year | | 639,224 | 713,515 |
| | | ----- | ----- |
| NET CURRENT LIABILITIES | | (61,427) | (66,782) |
| | | ----- | ----- |
| | | (21,805) | (33,829) |
| CREDITORS | | | |
| Amounts due after one year | 10 | 16,692 | 11,597 |
| | | ----- | ----- |
| TOTAL NET LIABILITIES | | (38,497) | (45,426) |
| | | ===== | ===== |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | 5,000 | 5,000 |
| Profit and loss account | | (43,497) | (50,426) |
| | | ----- | ----- |
| SHAREHOLDERS FUNDS | | (38,497) | (45,426) |
| | | ===== | ===== |

In approving these financial statements as a director of the Company, we hereby confirm:-

- a) that for the year in question the Company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the Company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 30 June 2006; and
- c) that we acknowledge our responsibilities for:-
 - (i) ensuring that the Company keeps accounting records which comply with section 221, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit for the year then ended and which otherwise comply with the provisions of Section 226 of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

The notes on pages 4 to 6 form part of these accounts.

..... Director Approved by the Board
on 2007

..... Director

KNOWLE HOUSE DEVELOPMENT LIMITEDNotes to the Accounts
Year ended 30 June 2006

1 ACCOUNTING POLICIES

- a. The accounts have been prepared under the historical cost convention.
- b. Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding VAT.
- c. Depreciation is provided over the expected useful lives of fixed assets at the following rates:-

 Motor vehicles - 25% on cost
 Furniture and equipment - 15% on cost
- d. Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.
- e. Provision is made at current rates for taxation deferred in respect of all material timing differences.
- f. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.
- g. Work in progress is valued at the lower of cost and net releasable value.

2 TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the Company, which is as stated in the report of the directors.

| | <u>2006</u> | <u>2005</u> |
|--|-------------|-------------|
| | £ | £ |

3 OPERATING PROFIT

The operating profit is stated after charging:-

| | | |
|--------------------------|---------|--------|
| Staff costs (see Note 4) | 116,153 | 73,329 |
| Depreciation | 21,121 | 14,308 |
| | ===== | ===== |

4 STAFF COSTS

| | | |
|------------------------|---------|--------|
| Directors remuneration | 18,600 | - |
| Salaries | 82,493 | 66,502 |
| National insurance | 11,363 | 6,827 |
| Pension contributions | 3,697 | - |
| | ----- | ----- |
| | 116,153 | 73,329 |
| | ===== | ===== |

The average weekly number of employees during the year was as follows:-

| | | |
|-----------------------|-------|-------|
| Office and management | 7 | 4 |
| | ===== | ===== |

KNOWLE HOUSE DEVELOPMENT LIMITEDNotes to the Accounts
Year ended 30 June 2006

| | <u>2006</u> £ | <u>2005</u> £ |
|------------------------|------------------|------------------|
| 5 INTEREST PAYABLE | | |
| Bank interest | 2,305 | 82 |
| Hire purchase interest | 2,131 | 705 |
| | ----- | ----- |
| | 4,436 | 787 |
| | ===== | ===== |

The above interest is payable on loans and overdrafts wholly repayable within 5 years.

6 TAXATION

| | | |
|---|---------|--------|
| Corporation tax at small company's rate | (1,430) | - |
| Overprovision in previous year | - | 13,939 |
| | ----- | ----- |
| | (1,430) | 13,939 |
| | ===== | ===== |

7 TANGIBLE FIXED ASSETS

| | <u>Motor</u> <u>Vehicles</u> | <u>Furniture</u> <u>& Equipment</u> | <u>Total</u> |
|-----------------------|---------------------------------|--|--------------|
| <u>Cost</u> | | | |
| At 1 July 2005 | 34,920 | 22,312 | 57,232 |
| Additions in year | 21,828 | 6,494 | 28,322 |
| Disposals in year | (1,064) | - | (1,064) |
| | ----- | ----- | ----- |
| At 30 June 2006 | 55,684 | 28,806 | 84,490 |
| | ===== | ===== | ===== |
| <u>Depreciation</u> | | | |
| At 1 July 2005 | 14,490 | 9,789 | 24,279 |
| Charge for year | 13,920 | 7,201 | 21,121 |
| Disposals in year | (532) | - | (532) |
| | ----- | ----- | ----- |
| At 30 June 2006 | 27,878 | 16,990 | 44,868 |
| | ===== | ===== | ===== |
| <u>Net Book Value</u> | | | |
| At 30 June 2006 | 27,806 | 11,816 | 39,622 |
| | ===== | ===== | ===== |
| At 30 June 2005 | 20,430 | 12,523 | 32,953 |
| | ===== | ===== | ===== |

8 DEBTORS

| | | |
|-------------------------------|---------|---------|
| Corporation tax recoverable | - | 13,939 |
| Trade debtors and prepayments | 445,439 | 137,818 |
| Due from associated companies | 12,473 | 333,663 |
| | ----- | ----- |
| | 457,912 | 485,420 |
| | ===== | ===== |

KNOWLE HOUSE DEVELOPMENT LIMITEDNotes to the AccountsYear ended 30 June 2006

| | <u>2006</u> | <u>2005</u> |
|---|-------------|-------------|
| | £ | £ |
| 9 CREDITORS - Amounts due within one year | | |
| Corporation tax | 1,430 | - |
| Bank overdraft | 84,295 | 11,465 |
| Trade creditors and accruals | 428,173 | 493,888 |
| Hire purchase | 11,622 | 8,577 |
| Other taxes | 39,633 | 18,334 |
| Directors' current accounts | 66,283 | 181,251 |
| Due to associated companies | 7,788 | - |
| | ----- | ----- |
| | 639,224 | 713,515 |
| | ===== | ===== |
| 10 CREDITORS - Amounts due after one year | | |
| Hire purchase | 16,692 | 11,597 |
| | ===== | ===== |
| 11 CALLED UP SHARE CAPITAL | | |
| Authorised, allotted, issued and fully paid 5,000 Ordinary shares of £1 each | 5,000 | 5,000 |
| | ===== | ===== |

12 RELATED PARTY TRANSACTIONS

During the year the Company carried out construction works for Knowle House Developments (Aylesford) Limited, a company of which G Cleaver is a director and G Cleaver and J Seymour are shareholders. The Company's income from Knowle House Development (Aylesford) Limited was £26,000 (2005-£13,000). As at 30 June 2006 Knowle House Development Limited owed Knowle House Developments (Aylesford) Limited £7,788. (2005: Knowle House Developments (Aylesford) Limited owed Knowle House Development Limited £333,663).

In addition the Company carried out construction works for Knowle House Limited a company of which both G Cleaver and J Seymour are shareholders and directors. The Company's income from Knowle House Limited was £1,286,808 (2005-£98,090). As at 30 June 2006 Knowle House Limited owed the Company £12,473 (2005-£Nil).

Finally, the Company carried out construction works for Sutton Heights Limited a company of which G Cleaver is a director. The Company's income from Sutton Heights Limited was £364,843 (2005-£596,436). As at 30 June 2006 and 30 June 2005 all debts had been paid in full.

13 ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the Company has no ultimate controlling party.