

KNOWLE HOUSE DEVELOPMENT LIMITED

ACCOUNTS

30 June 2004

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N R PULVER & CO  
Chartered Accountants

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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 2004.

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 2004 was 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 2004</u>	<u>1 July 2003</u>
G Cleaver	2,500	2,500
J Seymour	2,500	2,500

DIVIDENDS

The directors recommended the payment of a dividend £96,000 (2003 - Nil) 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

2004

KNOWLE HOUSE DEVELOPMENT LIMITEDProfit and Loss Account  
Year ended 30 June 2004

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
		£	£
Income	2	2,117,760	994,000
Development costs		1,915,835	923,446
		-----	-----
Gross profit		201,925	70,554
<u>Less expenses:</u>			
Administration & General Expenses	42,820	14,173	
Selling & distribution expenses	31,885	11,527	
	-----	-----	-----
		74,705	25,700
		-----	-----
Operating profit	3	127,220	44,854
Interest receivable		1,502	711
Interest payable	5	(610)	(40,925)
		-----	-----
Profit on ordinary activities before taxation		128,112	4,640
Corporation tax	6	(23,896)	-
		-----	-----
Profit on ordinary activities after taxation		104,216	4,640
Dividends		(96,000)	-
		-----	-----
RETAINED PROFIT FOR THE YEAR		8,216	-
RETAINED PROFIT BROUGHT FORWARD		4,640	-
		-----	-----
RETAINED PROFIT CARRIED FORWARD		12,856	4,640
		=====	=====

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 2004 other than the profit for the year.

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

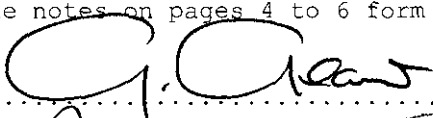
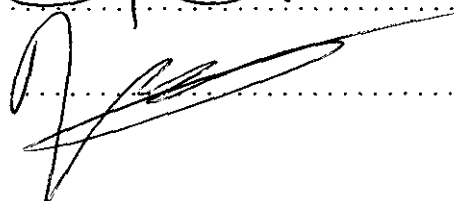
KNOWLE HOUSE DEVELOPMENT LIMITEDBalance Sheet  
30 June 2004

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
		£	£
FIXED ASSETS	7		
Tangible assets		23,901	18,099
CURRENT ASSETS			
Work in progress		32,429	-
Debtors	8	428,715	2,453,261
Cash at bank and in hand		94,234	73,118
		-----	-----
		555,378	2,526,379
CREDITORS	9		
Amounts due within one year		561,423	2,524,323
		-----	-----
NET CURRENT (LIABILITIES)/ASSETS		(6,045)	2,056
		-----	-----
		17,856	20,155
CREDITORS			
Amounts due after one year	10	-	10,515
		-----	-----
TOTAL NET ASSETS		17,856	9,640
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	11	5,000	5,000
Profit and loss account		12,856	4,640
		-----	-----
SHAREHOLDERS FUNDS		17,856	9,640
		=====	=====

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 2004; 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 2004  
  
 ..... Director

KNOWLE HOUSE DEVELOPMENT LIMITEDNotes to the Accounts  
Year ended 30 June 2004

## 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>2004</u>	<u>2003</u>
3 OPERATING PROFIT	£	£
The operating profit is stated after charging:-		
Staff costs (see Note 4)	13,835	9,000
Depreciation	8,872	1,099
	=====	=====

## 4 STAFF COSTS

Directors remuneration	-	9,000
Salaries	12,460	-
National insurance	1,375	-
	-----	-----
	13,835	9,000
	=====	=====

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

Office and management	3	2
	=====	=====

Notes to the Accounts  
Year ended 30 June 2004

	<u>2004</u>	<u>2003</u>
	£	£
5 INTEREST PAYABLE		
Bank interest	-	40,773
Hire purchase interest	610	152
	-----	-----
	610	40,925
	=====	=====

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

6 TAXATION		
Corporation tax at small company's rate	23,896	-
	=====	=====

7 TANGIBLE FIXED ASSETS	<u>Motor Vehicles</u>	<u>Furniture &amp; Equipment</u>	<u>Total</u>
<u>Cost</u>			
At 1 July 2003	17,581	1,617	19,198
Additions in year	1,064	13,610	14,674
	-----	-----	-----
At 30 June 2004	18,645	15,227	33,872
	=====	=====	=====
<u>Depreciation</u>			
At 1 July 2003	1,099	-	1,099
Charge for year	5,065	3,807	8,872
	-----	-----	-----
At 30 June 2004	6,164	3,807	9,971
	=====	=====	=====
<u>Net Book Value</u>			
At 30.6.2003	16,482	1,617	18,099
	=====	=====	=====
At 30 June 2004	12,481	11,420	23,901
	=====	=====	=====

8 DEBTORS		
Directors' current accounts	-	68,914
Trade debtors and prepayments	177,296	6,728
Due from associated companies	251,419	2,377,619
	-----	-----
	428,715	2,453,261
	=====	=====

KNOWLE HOUSE DEVELOPMENT LIMITEDNotes to the Accounts  
Year ended 30 June 2004

	<u>2004</u>	<u>2003</u>
	£	£
9 CREDITORS - Amounts due within one year		
Corporation tax	23,896	-
Bank overdraft	-	2,419,883
Trade creditors and accruals	519,880	100,616
Hire purchase	10,515	3,824
Other taxes	5,654	-
Directors' current accounts	1,478	-
	-----	-----
	561,423	2,524,323
	=====	=====
10 CREDITORS - Amounts due after one year		
Hire purchase	-	10,515
	=====	=====
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 in the year ended 30 June 2004 was received from Knowle House Developments (Aylesford) Limited which Company owed Knowle House Development Limited the sum of £251,419 as at 30 June 2004 (£2,377,619 as at 30 June 2003).

## 13 ULTIMATE CONTROLLING PARTY

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