

ADDISON DEVELOPMENTS LIMITED

3343045

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1999



**Saffery Champness**

CHARTERED ACCOUNTANTS

# ADDISON DEVELOPMENTS LIMITED

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COMPANY INFORMATION

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DIRECTORS

The Hon Mrs Townshend DL  
Sir Simon Hornby  
J R Townshend  
G A Dobson  
R I Sanderson

SECRETARY

R I Sanderson

REGISTERED OFFICE

The Estate Office  
Melbury Sampford  
Dorchester  
Dorset  
DT2 0LF

REGISTERED NUMBER

3343045

SOLICITORS

Wilsons  
Steynings House  
Chapel Place  
Fisherton Street  
Salisbury  
Wiltshire  
SP2 7RJ

BANKERS

National Westminster Bank plc  
2 Hendford  
Yeovil  
Somerset  
BA2 1TN

AUDITORS

Saffery Champness  
1 St Stephens Court  
St Stephens Road  
Bournemouth  
Dorset  
BH2 6LA

## DIRECTORS' REPORT

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The directors submit their report and audited financial statements for Addison Developments Limited for the year ended 31 March 1999.

### 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 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.

### PRINCIPAL ACTIVITIES

The company successfully completed the Manor Farmhouse project in August 1998. The Bow Lane long term development project is proceeding satisfactorily with regard to both costs and timetable. However, the directors are of the opinion that at 31 March 1999 work on this project was not sufficiently progressed to enable any turnover or profit to be recognised.

### RESULTS AND REVIEW OF THE BUSINESS

The net profit for the year, after taxation, was £104,785 (1998: £65,798) which is taken to reserves. The directors do not recommend the payment of a dividend.

### FUTURE DEVELOPMENTS

The company will continue to develop its principal activities.

## DIRECTORS' REPORT (continued)

## YEAR 2000 DATE CHANGE

The company has reviewed the impact on the business of the Year 2000 date change and has made plans to address this so that the business will not be materially affected, although it is recognised that the risks associated with the date change cannot be completely eliminated. An action programme has been established to review all systems within the company to identify hardware and software which is not currently Year 2000 compliant and to replace or amend it as necessary. The action plan also encompasses customers and suppliers of the company, and will involve making enquiries of all customers and suppliers to identify their state of readiness and to attempt to assess whether any further action will be required to safeguard sales or supplies. The costs to the company of dealing with these matters is unknown at this stage, but is not expected to be material.

## DIRECTORS AND THEIR INTERESTS

The directors who have held office throughout the year ended 31 March 1999 are as follows:

The Hon Mrs Townshend DL  
Sir Simon Hornby  
J R Townshend  
G A Dobson  
R I Sanderson

Sir Simon Hornby, as a Trustee, is interested in all the issued share capital of the company.

## TAXATION


The company is a close company as defined by the Income and Corporation Taxes Act 1988.

## AUDITORS

On 16 September 1998 the directors of the company passed an elective resolution to dispense with the requirement to hold annual general meetings and to appoint auditors annually.

The auditors, Saffery Champness, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985.

On behalf of the Board



R I Sanderson

Secretary

21 September 1999

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

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We have audited the financial statements on pages 5 to 10.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report on pages 2 and 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

## 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 affairs of the company as at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SAFFERY CHAMPNESS  
Chartered Accountants  
1 St Stephens Court  
St Stephens Road  
Bournemouth  
Dorset  
BH2 6LA

21 September 1999

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1999	1998
TURNOVER	1	498,000	-
Cost of sales		(461,908)	-
GROSS PROFIT		36,092	-
Administrative expenses		(24,898)	(40,404)
OPERATING PROFIT/(LOSS)		11,194	(40,404)
Interest paid	3	(21,781)	-
Other interest receivable and similar income		15,183	106,021
Net rental income		128,043	17,672
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	132,639	83,289
TAXATION	4	(27,854)	(17,491)
RETAINED PROFIT FOR THE FINANCIAL YEAR	9	<u>£104,785</u>	<u>£65,798</u>

The company's turnover and expenses all relate to continuing operations.

There were no recognised gains or losses during the year other than those included in the profit and loss account.

The notes and accounting policies on pages 7 to 10 form part of these financial statements.

BALANCE SHEET  
AT 31 MARCH 1999

	Notes	1999	1998
<b>CURRENT ASSETS</b>			
Stocks and work in progress	5	7,297,997	7,252,996
Debtors	6	25,278	35,144
Cash at bank and in hand		200,542	138,154
		<u>7,523,817</u>	<u>7,426,294</u>
CREDITORS: Amounts falling due within one year	7	(353,234)	(360,496)
<b>NET ASSETS</b>		<u><u>£7,170,583</u></u>	<u><u>£7,065,798</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	7,000,000	7,000,000
Profit and loss account	9	170,583	65,798
<b>SHAREHOLDERS' FUNDS</b>	10	<u><u>£7,170,583</u></u>	<u><u>£7,065,798</u></u>

The financial statements were approved by the Board on 21 September 1999 and signed on its behalf by



The Hon Mrs Townshend DL

Director

The notes and accounting policies on pages 7 to 10 form part of these financial statements.



ACCOUNTING POLICIES

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## A ACCOUNTING CONVENTION

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

## B TURNOVER

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers. Turnover on long terms contracts is recognised in accordance with the value of work carried out to date.

## C STOCKS AND WORK IN PROGRESS

Stocks and work in progress (except long term contract balances) are valued at the lower of cost and net realisable value.

Long term contract balances are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

## D DEFERRED TAXATION

Deferred taxation is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at rates of tax expected to apply when the timing differences reverse.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1999

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## 1 TURNOVER

Turnover arises in respect of the principal activity of the company as described on page 2. The company operates within the UK and the whole of its turnover is to the UK market.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1999	1998
The profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	£2,500	£2,000
Directors' remuneration	<u>£-</u>	<u>£-</u>

The company has no employees, but has incurred a management charge of £5,215 in relation to staff employed by Ilchester Estates, a related company.

## 3 INTEREST PAYABLE AND SIMILAR CHARGES

Bank loans and overdrafts	<u>£21,781</u>	<u>£-</u>
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## 4 TAXATION

Based on the profit for the year:

Corporation tax at 21% (1998: 21%)	<u>£27,854</u>	<u>£17,491</u>
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## 5 STOCKS AND WORK IN PROGRESS

Development work in progress	<u>£7,297,997</u>	<u>£7,252,996</u>
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## 6 DEBTORS

Trade debtors	2,126	12,079
Other debtors and prepayments	<u>23,152</u>	<u>23,065</u>
	<u>£25,278</u>	<u>£35,144</u>

## 7 CREDITORS:

Amounts falling due within one year:

Trade creditors	2,482	33,755
Bank loan	270,046	250,000
Bank overdraft	21,183	-
Corporation tax	27,854	17,491
Other creditors	3,596	47,333
Accruals and deferred income	<u>28,073</u>	<u>11,917</u>
	<u>£353,234</u>	<u>£360,496</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1999

7 CREDITORS:

Amounts falling due within one year (continued)

The bank loan is repayable on an interest only basis for thirty two months from 6 February 1998 and bears interest at 1.25% above National Westminster Bank Plc base rate. The loan is secured by a fixed and floating charge over the assets and undertakings of the company and by a first legal mortgage over the Bow Lane site.

8 SHARE CAPITAL

	1999	1998
Authorised		
10,000,000 Ordinary shares of £1 each	<u>£10,000,000</u>	<u>£10,000,000</u>
Allotted, called up and fully paid		
7,000,000 Ordinary shares of £1 each	<u>£7,000,000</u>	<u>£7,000,000</u>

9 PROFIT AND LOSS ACCOUNT

As at 1 April 1998	65,798	-
Retained for the year	<u>104,785</u>	<u>65,798</u>
As at 31 March 1999	<u>£170,583</u>	<u>£65,798</u>

10 RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS

Issues of share capital	-	7,000,000
Retained profit for the year	<u>104,785</u>	<u>65,798</u>
	<u>104,785</u>	<u>7,065,798</u>
Opening shareholders' funds	<u>7,065,798</u>	-
Closing shareholders' funds	<u>£7,170,583</u>	<u>£7,065,798</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1999

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## 11 RELATED PARTY TRANSACTIONS

The company is ultimately controlled by the Trustees of Ilchester Estates (2) Disentailed Estate by virtue of their 100% share ownership.

The company had the following related parties with whom transactions were undertaken during the year:-

Ilchester Estates	- A company whose shares are owned by the same Trustees as the company's ultimate controlling party.
Trustees of The Hon Mrs Townshend's Settlement (5)	- A Trust which is controlled by the same Trustees as the company's ultimate controlling party.

During the year the following transactions took place:-

Management charges made from Ilchester Estates £5,215.

Sale of Manor Farmhouse, Melbury Osmond to the Trustees of The Hon Mrs Townshend's Settlement (5) for £498,000.

Related party balances at 31 March 1999 were as follows:-

Debtor balances	<u>£778</u>
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