

Jones Homes (Southern) Limited

Report and Accounts

Year Ended 30 April 2004

Company Reg no: 3118389



Jones Homes (Southern) Limited

Report and Accounts

Year Ended 30 April 2004

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Jones Homes (Southern) Limited

Report of the Directors

Year Ended 30 April 2004

The Directors present herewith the audited accounts for the year ended 30 April 2004.

1 Results and Dividends

The net profit for the year was £801700. The Directors recommend that no dividend be paid.

2 Principal Activities

The company's principal activity during the year was property development. The Directors consider both the level of business and the financial position of the company at 30 April 2004 to be satisfactory and expect the present level of activity to continue in the current financial year.

3 Directors and Their Interests

The Directors who served during the year and their interests in the shares of the company were as follows:

P.E. Jones	(Chairman)
A.J. White	
L.D. Marshall	
J.R. Humber	
M.E. Jones	(Appointed 31 March 2004)
A.E. Jones	(Appointed 31 March 2004)
P. Prince	(Appointed 19 August 2004)
J. Siddaway	
R. Zentner	(Deceased 26 December 2003)

The Directors held no beneficial interest in the shares of the company. Particulars of the beneficial interests of M.E. Jones and A.E. Jones and the non-beneficial interests of P.E. Jones in the shares of the company's ultimate holding company appear in the accounts of that company.

4 Statement of Directors' Responsibilities

The Directors are required by United Kingdom company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and the profit or loss of the company for that year. For this purpose it is necessary to make both judgements and estimates and this is done on a reasonable and prudent basis.

In preparing the accounts the going concern basis has been applied, suitable accounting policies have been used and applied consistently, and applicable accounting standards have been followed, subject to any material departures disclosed and explained.

Jones Homes (Southern) Limited

Report of the Directors

Year Ended 30 April 2004

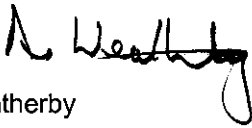
The Directors are also responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Directors' Report is prepared in accordance with company law in the United Kingdom.

5 Auditors

In accordance with Section 386 of the Companies Act 1985, by an elective resolution of the company, PKF, Registered Auditors, are deemed re-appointed as auditors for the succeeding year.

By Order of the Board



Anne Weatherby
Secretary
29 September 2004

Jones Homes (Southern) Limited

Profit and Loss Account

Year Ended 30 April 2004

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
Turnover	1	10,437,461	10,111,141
Cost of sales		(7,495,020)	(7,848,336)
Gross profit		2,942,441	2,262,805
Net operating expenses	2	(1,097,743)	(981,727)
Operating profit		1,844,698	1,281,078
Interest payable	3	(686,316)	(414,361)
Profit on ordinary activities before taxation	4	1,158,382	866,717
Tax on profit on ordinary activities	7	356,682	205,718
Profit for the financial year after taxation		801,700	660,999
Retained profit brought forward		2,170,313	1,509,314
Retained profit carried forward		<u>2,972,013</u>	<u>2,170,313</u>

The above figures relate exclusively to continuing operations.

The company has no recognised gains or losses or movements in shareholders' funds other than the profit for the year.

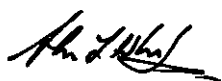
Jones Homes (Southern) Limited

Balance Sheet

As at 30 April 2004

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
		£	£
Fixed Assets			
Intangible fixed assets	8	6,160	0
Tangible fixed assets	9	100,321	110,627
Current Assets			
Stocks	10	20,451,253	19,772,444
Debtors	11	92,641	436,746
Cash at bank and in hand		850	504,663
		<u>20,544,744</u>	<u>20,713,853</u>
Creditors: amounts falling due within one year	12	13,355,515	14,395,107
		<u>7,189,229</u>	<u>6,318,746</u>
Net Current Assets			
Creditors: amounts falling due after more than one year	13	(4,000,000)	(4,000,000)
Provisions for liabilities and charges	14	(323,695)	(259,058)
		<u>2,972,015</u>	<u>2,170,315</u>
Net Assets			
Capital and Reserves			
Called up share capital	15	2	2
Profit and loss account	16	2,972,013	2,170,313
		<u>2,972,015</u>	<u>2,170,315</u>
Equity Shareholders' Funds			

Approved by the Board on 29 September 2004



A.J. White
Director

Jones Homes (Southern) Limited

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items considered material to the company's affairs:

Basis of accounting

The accounts are prepared under the historic cost convention and in accordance with applicable accounting standards.

Intangible fixed assets

Ground rents are capitalised at four years' purchase and are not amortised as it is considered that they have an indefinite useful life.

Tangible fixed assets

Depreciation is provided at a rate calculated to write off the cost of the asset over its expected useful life. Plant and equipment is depreciated at 15% per annum on cost.

Stocks

Stock is valued at the lower of cost and net realisable value.

Pension costs

Pension costs in respect of the Group's defined contribution pension scheme are charged to the profit and loss account in the period for which contributions are payable.

Deferred Taxation

Full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation, with the exception of capitalised interest where it is offset by the benefit of indexation allowance. Deferred tax assets are only recognised to the extent that they are prudently considered recoverable.

Jones Homes (Southern) Limited

Notes to the Accounts

1 Turnover

Turnover comprises invoiced sales for the year.

	<u>2004</u> £	<u>2003</u> £
<u>2 Operating costs</u>		
Administration costs	<u>1,097,743</u>	<u>981,727</u>
<u>3 Interest payable</u>		
Interest payable on bank overdrafts	(699,659)	(415,606)
Sundry interest receivable	13,343	1,245
	<u>(686,316)</u>	<u>(414,361)</u>
<u>4 Profit on ordinary activities before taxation</u>		
is after charging/(crediting):		
Depreciation of tangible fixed assets	<u>27,439</u>	<u>28,061</u>
<u>5 Directors' emoluments</u>		
Aggregate of emoluments and other benefits	261,740	224,306
Pension contributions	18,337	15,882
	<u>280,077</u>	<u>240,188</u>

The number of Directors to whom benefits are accruing under money purchase pension schemes is two (2003: three). The highest paid Director received emoluments and benefits of £140,909 (2003: £130,156), and pension contributions of £13,200 (2003: £12,000).

6 Employees

Staff costs during the year were:

Wages and salaries	961,934	864,687
Social security costs	101,805	83,043
Other pension costs	23,739	23,215
	<u>1,087,478</u>	<u>970,945</u>
The average weekly number of persons employed by the company during the year was	<u>35</u>	<u>29</u>

Jones Homes (Southern) Limited

Notes to the Accounts

	<u>2004</u> £	<u>2003</u> £
7 Tax on profit on ordinary activities		
Current year: corporation tax at 30%	1,096	1,096
Current year: group relief	355,586	254,329
Prior year: corporation tax	0	(49,707)
	<hr/>	<hr/>
	<u>356,682</u>	<u>205,718</u>
 Tax reconciliation:		
 Profit on ordinary activities before tax	 <u>1,158,382</u>	 <u>866,717</u>
 Tax on profit on ordinary activities at standard UK corporation tax rate 30%	 347,515	 260,015
Permanent differences	364	141
Tax losses and other timing differences	9,438	(4,096)
Difference in actual tax rate	(635)	(635)
Prior year adjustment	0	(49,707)
	<hr/>	<hr/>
Total Taxation	<u>356,682</u>	<u>205,718</u>

The full potential asset/(liability) for deferred taxation relating to timing differences not provided for in the accounts is as follows:

Expenditure allowed in other accounting periods	51,674	41,919
Accelerated capital allowances	(4,448)	(4,130)
	<hr/>	<hr/>
	<u>47,226</u>	<u>37,789</u>

8 Intangible fixed assets

Ground rents at valuation

	£
At 1 May 2003	0
Additions in the year	6,160
	<hr/>
At 30 April 2004	<u>6,160</u>

The ground rents are valued at four years' purchase.

Jones Homes (Southern) Limited

Notes to the Accounts

9 Tangible fixed assets

	Plant and equipment £	Total £
<u>Cost</u>		
At 1 May 2003	196,010	196,010
Additions	17,133	17,133
Disposals	0	0
	<hr/>	<hr/>
At 30 April 2004	<u>213,143</u>	<u>213,143</u>
<u>Depreciation</u>		
At 1 May 2003	85,383	85,383
Charge for the year	27,439	27,439
Disposals	0	0
	<hr/>	<hr/>
At 30 April 2004	<u>112,822</u>	<u>112,822</u>
<u>Net Book Value</u>		
As at 30 April 2004	<u>100,321</u>	<u>100,321</u>
As at 30 April 2003	<u>110,627</u>	<u>110,627</u>

2004
£

2003
£

10 Stocks

Land	15,192,199	16,024,703
Work in progress	5,212,054	3,712,010
Other stocks	47,000	35,731
	<hr/>	<hr/>
	<u>20,451,253</u>	<u>19,772,444</u>

Jones Homes (Southern) Limited

Notes to the Accounts

	<u>2004</u> £	<u>2003</u> £
11 Debtors		
Amounts falling due within one year		
Amounts owed by group undertakings	0	358,125
Other debtors	85,641	63,621
Prepayments and accrued income	7,000	15,000
	<hr/>	<hr/>
	<u>92,641</u>	<u>436,746</u>

12 Creditors: amounts falling due within one year

Bank loans and overdrafts	9,918,838	9,943,612
Trade creditors	192,830	264,829
Amounts owed to group undertakings	754,340	756,879
Corporation Tax	1,096	1,095
Taxation and social security	8,174	1,812
Other creditors	361,931	390,638
Accruals	2,118,306	3,036,242
	<hr/>	<hr/>
	<u>13,355,515</u>	<u>14,395,107</u>

13 Creditors: amounts falling due after more than one year

Bank loans and overdrafts due in 2 - 5 years	<u>4,000,000</u>	<u>4,000,000</u>
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The bank loans and overdrafts are secured on certain assets of the company.

14 Provisions for liabilities and charges

	£
At 1 May 2003	259,058
Additional provisions	208,720
Amounts used	(99,307)
Amount released unused	(44,776)
	<hr/>
At 30 April 2004	<u>323,695</u>

Provisions have been recognised in respect of site completion costs. It is expected that most of this expenditure will be incurred during the next two years, and all will be incurred within the next four years.

Jones Homes (Southern) Limited

Notes to the Accounts

15 Called up share capital

	Authorised £	Allotted and fully paid £
Ordinary shares of £1 each	<u>10,000</u>	<u>2</u>

There was no change in share capital during the year.

16 Profit and loss account

The movement on the profit and loss account is shown on page 3.

17 Parent undertaking and controlling parties

The company's parent company and controlling party is P E Jones (Contractors) Limited, a company incorporated in England.

The company's ultimate parent company and ultimate controlling party is Emerson Developments (Holdings) Limited, a company incorporated in England.

The results of the company are included in the consolidated accounts of Emerson Developments (Holdings) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff.

18 Related parties

The company has taken advantage of the exemption conferred on 90% subsidiaries by FRS8, in relation to transactions with Group companies.

Jones Homes (Southern) Limited

Independent Auditors' Report to the Members of

Jones Homes (Southern) Limited

We have audited the financial statements of Jones Homes (Southern) Limited for the year ended 30 April 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with the 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.

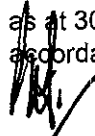
Basis of opinion

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 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 30 April 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PKF
Registered Auditors
Manchester
30 September 2004