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Jones Homes (Southern) Limited

Report and Accounts

Year Ended 30 April 1999

Company Reg no: 3118389



Jones Homes (Southern) Limited

Report and Accounts

Year Ended 30 April 1999

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Jones Homes (Southern) Limited

Report of the Directors

Year Ended 30 April 1999

The Directors present herewith the audited accounts for the year ended 30 April 1999.

1 Results and Dividends

The net profit for the year was £123232. 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 1999 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)
T. Weatherby CBE	(resigned 8 June 1999)
A.J. White	
M.A. Schuler	
L.D. Marshall	

The Directors held no beneficial interest in the shares of the company. Mr P.E. Jones holds a non-beneficial interest in the shares of the company's ultimate holding company, which is disclosed 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.

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.

Jones Homes (Southern) Limited

Report of the Directors

Year Ended 30 April 1999

5 Year 2000

The Directors have considered the effect of the Year 2000 (millennium bug) issue on its operations and have identified in detail the areas which have the potential to cause disruption to the company.

All internal computerised systems have been tested for Year 2000 compliance as at 30 April 1999 and all required upgrades have been actioned.

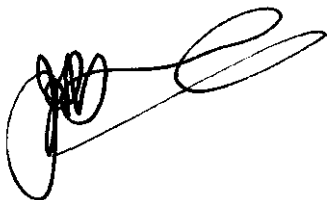
It is recognised that non-compliance with Year 2000 issues by certain third parties, including major suppliers, can affect the company. Therefore, information is being actively sought from key organisations to ensure their Year 2000 plans will not adversely affect the company.

It is estimated that the cost of new equipment, software upgrades and advice on the Year 2000 issue will not be significant and will be written off as incurred.

6 Auditors

In accordance with Section 386 of the Companies Act 1985, by an elective resolution of the company, Pannell Kerr Forster, Chartered Accountants, are deemed re-appointed as auditors for the succeeding year.

By Order of the Board

A handwritten signature in black ink, appearing to be 'J.P. Newman', written over a horizontal line.

J.P. Newman
Secretary
1 October 1999

Jones Homes (Southern) Limited

Profit and Loss Account

Year Ended 30 April 1999

	<u>Notes</u>	<u>1999</u> £	<u>1998</u> £
Turnover	1	7,390,663	6,136,196
Cost of sales		(6,476,054)	(4,901,132)
Gross profit		914,609	1,235,064
Net operating expenses	2	(488,827)	(410,767)
Interest payable	3	(247,123)	(480,444)
Profit on ordinary activities before taxation	4	178,659	343,853
Tax on profit on ordinary activities	7	(55,427)	(106,552)
Profit for the financial year after taxation		123,232	237,301
Retained profit brought forward		303,263	65,962
Retained profit carried forward		<u>426,495</u>	<u>303,263</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 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
		£	£
Fixed Assets			
Tangible fixed assets	8	220,414	230,077
Current Assets			
Stocks	9	7,463,924	6,908,214
Debtors	10	393,023	219,997
Cash at bank and in hand		850	850
		<u>7,857,797</u>	<u>7,129,061</u>
Creditors: amounts falling due within one year	11	7,651,714	7,055,873
Net Current Assets		206,083	73,188
Total Assets less Current Liabilities		<u>426,497</u>	<u>303,265</u>
Capital and Reserves			
Called up share capital	12	2	2
Profit and loss account	13	426,495	303,263
Equity Shareholders' Funds		<u>426,497</u>	<u>303,265</u>

Approved by the Board on 1 October 1999



M.A. Schuler
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.

Tangible fixed assets

Depreciation is provided at a rate calculated to write off the cost of the asset over its expected useful life. Leasehold buildings are depreciated at 1% per annum on cost, and fixtures and fittings are depreciated at 15% per annum on cost.

Stocks

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

Deferred taxation

No liability for UK deferred taxation to date is likely to arise in the next three years or thereafter so far as can reasonably be foreseen and accordingly no provision has been made in the accounts.

Jones Homes (Southern) Limited

Notes to the Accounts

1 Turnover

Turnover comprises invoiced sales for the year.

	1999 £	1998 £
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2 Operating costs

Administration costs	<u>488,827</u>	<u>410,767</u>
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3 Interest payable

Interest payable on bank overdrafts	(247,545)	(482,527)
Sundry interest receivable	422	2,083
	<u>(247,123)</u>	<u>(480,444)</u>

4 Profit on ordinary activities before taxation

is after charging:

Depreciation of tangible fixed assets	<u>9,663</u>	<u>9,664</u>
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5 Directors' emoluments

During the year the Directors neither received nor were due to receive any emoluments from the company.

6 Employees

Staff costs during the year were:

Wages and salaries	380,515	266,232
Social security costs	34,033	24,737
Other pension costs	13,960	10,435
	<u>428,508</u>	<u>301,404</u>

The average weekly number of persons employed by the company during the year was

	<u>21</u>	<u>14</u>
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7 Tax on loss on ordinary activities

Current year: corporation tax at 31%	1,459	1,500
Current year: group relief	53,968	105,052
	<u>55,427</u>	<u>106,552</u>

Jones Homes (Southern) Limited

Notes to the Accounts

8 Tangible fixed assets

	Long Leasehold		
	Land and buildings £	Fixtures and fittings £	Total £
<u>Cost</u>			
At 1 May 1998	194,639	51,422	246,061
Additions	0	0	0
Disposals	0	0	0
At 30 April 1999	<u>194,639</u>	<u>51,422</u>	<u>246,061</u>
<u>Depreciation</u>			
At 1 May 1998	3,826	12,158	15,984
Charge for the year	1,947	7,716	9,663
Disposals	0	0	0
At 30 April 1999	<u>5,773</u>	<u>19,874</u>	<u>25,647</u>
<u>Net Book Value</u>			
As at 30 April 1999	<u>188,866</u>	<u>31,548</u>	<u>220,414</u>
As at 30 April 1998	<u>190,813</u>	<u>39,264</u>	<u>230,077</u>
	<u>1999</u>		<u>1998</u>
	£		£

9 Stocks

Land	4,458,284	4,006,620
Work in progress	2,955,813	2,880,612
Other stocks	49,827	20,982
	<u>7,463,924</u>	<u>6,908,214</u>

10 Debtors

Amounts falling due within one year

Trade debtors	0	0
Amounts owed by group undertakings	247,644	4,300
Other debtors	37,779	162,080
Prepayments and accrued income	107,600	53,617
	<u>393,023</u>	<u>219,997</u>

Jones Homes (Southern) Limited

Notes to the Accounts

11 Creditors: amounts falling due within one year

	<u>1999</u> £	<u>1998</u> £
Bank loans and overdrafts	6,767,669	5,872,900
Trade creditors	79,377	57,748
Amounts owed to group undertakings	193,742	450,930
Corporation Tax	1,459	1,500
Other creditors	187,554	181,168
Accruals	421,913	491,627
	<u>7,651,714</u>	<u>7,055,873</u>

The bank loans and overdrafts are secured on certain assets of the company.

12 Called up share capital

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

There was no change in share capital during the year.

13 Profit and loss account

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

14 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.

15 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
Auditors' Report to the Shareholders of
Jones Homes (Southern) Limited

We have audited the financial statements on pages 3 to 8.

Respective responsibilities of Directors and Auditors

As described on page 1 the company's Directors are responsible for the preparation of the 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. 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 30 April 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pannell Kerr Forster

Pannell Kerr Forster
Chartered Accountants and Registered Auditors
Manchester
1 October 1999