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COMPANY NUMBER 1499944

ABBEY MANOR DEVELOPMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2001

ABBEY MANOR DEVELOPMENTS LIMITED

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INDEX

ABBEY MANOR DEVELOPMENTS LIMITED

COMPANY INFORMATION

DIRECTORS	N R S TIMMIS MRS G R TIMMIS MISS J E GANNON
SECRETARY	I P BOWKER
AUDITORS	FRANCIS CLARK SOUTHERNHAY HOUSE 36 SOUTHERNHAY EAST EXETER EX1 1NX
REGISTERED OFFICE	THE ABBEY PRESTON ROAD YEOVIL SOMERSET BA20 2EN

ABBEY MANOR DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Annual Report and audited financial statements for the year ended 28 February 2001.

PRINCIPAL ACTIVITIES

The company is based in the United Kingdom and its principal activities are those of Industrial and Commercial Property Developers, together with the Management of Industrial and Commercial Units. There has been no significant change in the company's activities during the year.

REVIEW OF THE BUSINESS

The company has experienced an increase in demand for industrial land, including that of the joint venture with South Somerset District Council. Considerable management resource has been applied to the company to meet customer requirements. Demand for let property held for sale has however remained weak. The directors anticipate this situation continuing with the current uncertain economic outlook.

RESULTS AND DIVIDEND

Detailed results for the year are as shown in the financial statements on pages 5 to 14. The Directors do not recommend the payment of a final dividend.

DIRECTORS

The Directors of the Company who served during the year and their beneficial interests (including the interests of wives and infant children where applicable) in shares of the company are as follows:

		Ordinary Shares	
		2001	2000
N R S Timmis	'A' Ordinary	356	356
N R S Timmis	'B' Ordinary	60	60
Mrs G R Timmis		-	-
Miss J E Gannon		-	-

AUDITORS

Francis Clark have indicated their willingness to continue as Auditors. In accordance with Section 385 of the Companies Act 1985, a resolution proposing their re-appointment will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions for small companies under Part 7 of the Companies Act 1985.

BY ORDER OF THE BOARD

Ian Bowker
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I P BOWKER
SECRETARY

DATED: 27 February 2002

ABBEY MANOR DEVELOPMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year 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 year. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

ABBEY MANOR DEVELOPMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF ABBEY MANOR DEVELOPMENTS LIMITED

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective Responsibilities of Directors and Auditors

As described on page 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 error or other irregularity. 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 the company's affairs as at 28 February 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Francis Clark

Francis Clark
Registered Auditors and Chartered Accountants
Southernhay House
36 Southernhay East
Exeter
EX1 1NX

Dated: 4 March 2002

ABBEY MANOR DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 February 2001

	Note	2001		2000	
		£000	£000	£000	£000
TURNOVER	1		3,449		847
Changes in Stock and Work-in-Progress			3,930		1,171
			7,379		2,018
Other Operating Income	2		122		107
			7,501		2,125
External Charges			(6,061)		(1,706)
			1,440		419
Staff Costs	3	300		165	
Other Operating Charges		501		70	
			(801)		(235)
OPERATING PROFIT FOR THE YEAR	4		639		184
Share of Operating Profit in Joint Venture			45		21
Interest Receivable		14		35	
Interest Payable and Similar Charges	5	305		158	
			(291)		(123)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			393		82
Tax on Profit on Ordinary Activities	6		(118)		(21)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			275		61
Dividends			0		0
TRANSFERRED TO RESERVES					
Profit for the Financial Year	13		275		61

The notes on pages 7 to 14 form an integral part of these financial statements.

ABBEY MANOR DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 28 February 2001

	Note	2001 £000	2001 £000	2000 £000	2000 £000
FIXED ASSETS					
Investments in Joint Venture:-					
Share of Gross Assets		391		375	
Share of Gross Liabilities		(39)		(68)	
	7		352		307
CURRENT ASSETS					
Stocks and Work-in-Progress	8	8,105		4,662	
Debtors	9	488		351	
Cash at Bank and In Hand		0		0	
		8,593		5,013	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	7,794		4,151	
NET CURRENT ASSETS			799		862
TOTAL ASSETS LESS CURRENT LIABILITIES			1,151		1,169
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11		(93)		(386)
			1,058		783
CAPITAL AND RESERVES					
Called Up Share Capital	12		2		2
Profit & Loss Account	13		1,056		781
SHAREHOLDERS' FUNDS	14		1,058		783

These financial statements have been prepared in accordance with the special provisions for small companies under Part 7 Of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

APPROVED BY THE BOARD OF DIRECTORS

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N R S TIMMIS
DIRECTOR
DATED: 27.02.02

The notes on pages 7 to 14 form an integral part of these financial statements.

ABBEY MANOR DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

a ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).
Entities in which the company holds an interest on a long term basis and are jointly controlled by one or more other venturers under a contractual arrangement are treated as joint ventures. In the company accounts, joint ventures are accounted for using the gross equity method.

b TURNOVER

Turnover represents the amount of sales and work invoiced excluding Value Added Tax and work in progress. Rent and other income received in respect of properties held for re-sale is included in turnover on a straight line basis over rent review periods.

c STOCKS AND WORK-IN-PROGRESS

Stocks

i) Undeveloped land and buildings, where no planning application has been made, are valued at the lower of cost and the estimated net realisable value of each individual holding.

ii) Completed industrial units are valued at the lower of cost and valuation on the basis of net realisable value, subject to existing tenancies. It is the policy of the Company to maintain these units in such condition that the value to the business is not impaired by the passage of time. Such expenditure is charged to profit and loss in the year in which it is incurred.

Work-in-Progress

i) Work-in-progress in respect of buildings under construction for speculative trading is valued at the lower of cost and net realisable value. Cost comprises the costs attributable to the land, including expenditure on roadways and buildings under construction.

d DEFERRED TAXATION

Provision is made for taxation liabilities arising from the allocation of items to different Years for taxation and for accounting purposes, except where it is probable that a liability will not crystallise. In establishing the pattern of likely future tax liabilities, the Directors undertake a review at the Balance Sheet date of past investment patterns and expected future levels of capital expenditure and depreciation. The provision is established at the Corporation Tax rates anticipated to be applicable at the time each deferred liability will ultimately crystallise, based on rates of tax currently in force.

ABBEY MANOR DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

e PENSIONS

The Company operates a Defined Contribution Pension Scheme. The assets of the Scheme are held separately from those of the Company in an independently-administered fund. Contributions are charged to the Profit and Loss account as they become payable in accordance with the rules of the scheme.

f CASH FLOW STATEMENT

Since the company qualifies as a small company as defined by Section 247 of the Companies Act 1985, no Cash Flow Statement is required.

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

The Directors are of the opinion that the company carries on one class of business, all of which is performed in the United Kingdom and therefore no further analysis is provided.

2. OTHER OPERATING INCOME

	2001 £000	2000 £000
Sundry Income	122	107
	122	107

3a. STAFF COSTS

Wages and Salaries	268	120
Social Security costs	32	45
Pension Contributions - defined contribution	0	0
	300	165
The average monthly number of employees during the Year was made up as follows:-	No.	No.
Service, Administrative and Directors	4	3

3b. DIRECTORS' REMUNERATION

	2001 £000	2000 £000
Fees	0	0
Other Emoluments and Benefits	268	120
Pension Contributions	0	0
	268	120

Retirement benefits are accruing to one of the directors under a money purchase scheme.

4. OPERATING PROFIT

The operating profit is stated after charging:		
Auditors' Remuneration	6	5
And after crediting Rental income	651	378

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£000	£000
Borrowings wholly repayable within 5 Years other than by instalments:-		
Bank Loans and Overdraft	2	12
Other Loans	303	138
Interest on Late Tax	0	8
	305	158

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is made up as follows:

	2001	2000
Based on profit for the Year:		
Corporation Tax at 30% (2000 30%)	118	26
(Over)/Under provision in respect of prior years	0	(5)
	118	21

7. INVESTMENTS IN JOINT VENTURE

The company has entered a joint arrangement with South Somerset District Council in a land development project.
The company's 50% share of the trading result and the assets/liabilities are as follows:

	£000	£000	£000
Sales	378		155
Cost of Sales	(325)		(130)
Other expenses	(8)		(4)
		45	21
Stocks	198		363
Debtors	0		1
Bank	193		11
Net Current Assets		391	375
Creditors		(39)	(68)
		352	307

8. STOCKS AND WORK-IN-PROGRESS

	2001	2000
	£000	£000
Work-in-Progress		
Work-in-Progress	4,620	1,777
	4,620	1,777
Stocks		
Land Stocks held for Development	0	0
Land & Building Stocks Held for Development & Resale	3,485	2,885
	8,105	4,662

The replacement cost of land and buildings is likely to be in the region of £5,365,000 (2000 £5,510,000).

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. DEBTORS

	2001 £000	2000 £000
Trade Debtors	77	191
Other Debtors	409	159
Prepayments	2	1
	488	351

10. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £000	2000 £000
Bank Loans and Overdraft	2,113	133
Other Loans	0	0
Trade Creditors	287	95
Corporation Tax	118	26
Other Taxes and Social Security	10	27
Other Creditors	4,068	3,388
Accruals and Deferred Income	1,198	482
	7,794	4,151

The bank loans and overdraft are secured.

11. CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £000	2000 £000
Sinking Funds	93	85
Property Maintenance Provisions	0	301
	93	386

12. CALLED UP SHARE CAPITAL

	2001 £000	2000 £000
Authorised		
Equity		
50,000 'A' Ordinary Shares of £1 Each	50	50
50,000 'B' Ordinary Shares of £1 Each	50	50
	100	100
Allotted, Called up and Fully paid		
Equity		
1,000 'A' Ordinary Shares of £1 Each	1	1
1,000 'B' Ordinary Shares of £1 Each	1	1
	2	2

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

RIGHTS OF EACH CLASS OF SHARE

'A' Ordinary Shares have the right of one vote per share. They are also entitled to the following:-

a) The first £62,500 (multiplied by the RPI since 1st January 1991) of net dividends declared in each financial year, plus1/2 of the excess over that amount.

b) The first £162,500 (multiplied by the RPI since 1st January 1991) of trading profits after tax (excluding profits on disposal of fixed assets) in each financial year, to be credited to an 'A' share reserve.

c) Profits or losses after tax on the disposal of any freehold or leasehold property held in fixed assets.

'B' Ordinary Shares have no entitlement to vote. They are entitled to the following:-

a) 1/2 of the remainder of any dividend declared in excess of the first portion payable to the 'A' Ordinary Shares.

b) The remainder of the trading profits after tax in excess of the first portion payable of the 'A' Ordinary Shares to be credited to a 'B' share reserve.

Where trading losses are made these are charged to the 'B' reserve before the 'A' reserve.

On winding up of the Company the 'A' Ordinary Shares will be repaid in preference to the 'B' Ordinary Shares.

13. RESERVES

	P&L "A" Reserve £000	P&L "B" Reserve £000	Total £000
As at 1 March 2000	552	229	781
Profit for the Year	215	60	275
Dividend paid	0	0	0
As at 28 February 2001	767	289	1,056

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the Year	275
Dividend paid	0
Net increase in shareholders' funds	275
Opening Shareholders' Funds	783
Closing Shareholders' Funds	1,058

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. DEFERRED TAXATION

	Provided		Not Provided	
	2001	2000	2001	2000
	£000	£000	£000	£000
The full potential deferred tax liability is as follows:-				
Other Timing Differences	0	0	0	0
	0	0	0	0

16. CONTINGENT LIABILITIES

There are contingent liabilities as follows:

Performance bonds for £331,000 (2000: £35,000) in favour of the Company's bankers in connection with the construction of roads and sewers by the company.

17. CONTROLLING PARTIES

The Company was controlled throughout the current and previous financial years by its directors who owned 68.5% of the voting rights of the company between them and 100% of the voting rights of the company with members of their close family.

18. RELATED PARTIES

The following Companies which have had material transactions with Abbey Manor Developments Limited are related parties by virtue of N R S Timmis being a Director, and N R S Timmis and A R S Timmis being majority shareholders of those Companies.

Trading during the year and balances at the year end were as follows:-

Purchases of goods and services by the Company in the ordinary course of business from:-

	£000
Abbey Manor Group Ltd	48
YPH Plant Ltd	1
Sansom Heating Ltd	29
Abbey Manor Homes Ltd	9
	87

Sales of goods and services by the Company in the ordinary course of business to:-

	£000
Abbey Manor Group Ltd	11
YPH Plant Ltd	138
Abbey Manor Homes Ltd	38
Radford Woods Redevelopment Ltd	14
	201

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

At 28 February 2001 balances outstanding with the Company shown within Other Creditors (note 10) were:-

Amount due to Abbey Manor Group Ltd.	3,686

Compensation of £200,000 is payable to the Abbeygate Executive Pension Trust, of which NRS Timmis is a trustee, following agreement by the trustees to facilitate the development of one of the company's sites. This sum has been included within creditors and carried forward in work-in-progress.

At 28 February 2001 balances outstanding on the Directors' Loan Accounts shown within Other Creditors (note 10) were:-

	£000
Balance at 1 March 2000	870
Funds introduced in the Year	274
Funds withdrawn in the Year	(1,144)
Balance at 28 February 2001	0

Directors' Loan Accounts are repayable on demand and attract interest at a rate of 1% over the base rate as published by the National Westminster Bank plc.

19. CAPITAL COMMITMENTS

Capital commitments contracted for but not provided for at 28 February 2001 were £nil (2000: £nil), and no capital expenditure has been authorised by the Directors which had not been contracted for (2000: £nil).