REGISTERED NUMBER: 3336512 (England and Wales)

Abbreviated Accounts

for the Year Ended 31 March 2004

for

Appledore Developments Ltd



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28/01/05

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Company Information
for the Year Ended 31 March 2004

DIRECTORS:	P M Brotherton Mrs J E Brotherton Ms Y J Brotherton D J Graves
SECRETARY:	Ms Y J Brotherton
REGISTERED OFFICE:	Appledore House 116 London Road Sevenoaks TN13 1BA
REGISTERED NUMBER:	3336512 (England and Wales)
AUDITORS:	Shaikh & Co, Chartered Accountants 11 Lime Hill Road Tunbridge Wells Kent TN1 1LJ

Report of the Directors for the Year Ended 31 March 2004

The directors present their report with the accounts of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development.

DIRECTORS

The directors during the year under review were:

P M Brotherton
Mrs J E Brotherton
Ms Y J Brotherton
D J Graves

The beneficial interests of the directors holding office on 31 March 2004 in the issued share capital of the company were as follows:

	31.3.04	1.4.03
Ordinary shares 1 shares		
P M Brotherton	3,046,001	3,046,001
Mrs J E Brotherton	1	1
Ms Y J Brotherton	-	-
D J Graves	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 period. In preparing those financial statements, the directors are required to

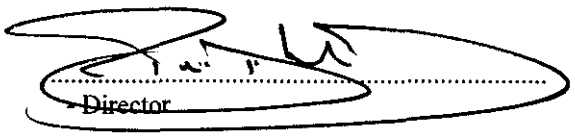
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, Shaikh & Co, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Director

Date: 24.1.05

Report of the Independent Auditors to Appledore Developments Ltd Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages four to fourteen, together with the full financial statements of the company for the year ended 31 March 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages four to fourteen are properly prepared in accordance with that provision.

Shaikh & Co

Shaikh & Co, Chartered Accountants
11 Lime Hill Road
Tunbridge Wells
Kent
TN1 1LJ

Date: 24/01/2005

Abbreviated Profit and Loss Account for the Year Ended 31 March 2004

	Notes	31.3.04 £	31.3.03 £
GROSS PROFIT		**1,082,795**	1,799,474
Administrative expenses		**746,400**	742,261
OPERATING PROFIT	3	**336,395**	1,057,213
Interest receivable and similar income		**367**	2,500
		336,762	1,059,713
Interest payable and similar charges	4	**7,659**	4,905
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**329,103**	1,054,808
Tax on profit on ordinary activities	5	**70,450**	317,010
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		**258,653**	737,798
Dividends	6	**240,000**	813,256
		18,653	(75,458)
Retained profit brought forward		**13,862**	89,320
RETAINED PROFIT CARRIED FORWARD		**£32,515**	£13,862

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current and previous years.

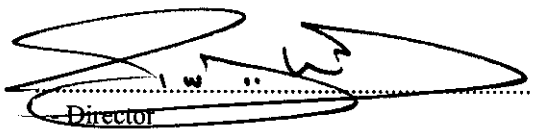
The notes form part of these abbreviated accounts

Abbreviated Balance Sheet
31 March 2004

	Notes	31.3.04 £	31.3.04 £	31.3.03 £	31.3.03 £
FIXED ASSETS:					
Tangible assets	7		**93,769**		83,026
CURRENT ASSETS:					
Stocks	8	**3,930,355**		3,489,327	
Debtors	9	**509,568**		620,877	
Cash at bank and in hand		**327,429**		26,762	
		4,767,352		4,136,966	
CREDITORS: Amounts falling due within one year	10	**1,741,161**		1,134,069	
NET CURRENT ASSETS:			**3,026,191**		3,002,897
TOTAL ASSETS LESS CURRENT LIABILITIES:			**3,119,960**		3,085,923
CREDITORS: Amounts falling due after more than one year	11		**41,443**		26,059
			£3,078,517		£3,059,864
CAPITAL AND RESERVES:					
Called up share capital	15		**3,046,002**		3,046,002
Profit and loss account			**32,515**		13,862
SHAREHOLDERS' FUNDS:	16		**£3,078,517**		£3,059,864

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



Director

Approved by the Board on 24.1.05

The notes form part of these abbreviated accounts

Cash Flow Statement
for the Year Ended 31 March 2004

	Notes	31.3.04 £	31.3.04 £	31.3.03 £	31.3.03 £
Net cash (outflow)/inflow from operating activities	1		**(166,468)**		1,319,505
Returns on investments and servicing of finance	2		**(7,292)**		(2,405)
Taxation			**(307,183)**		(296,152)
Capital expenditure	2		**10,209**		7,195
Equity dividends paid			**(210,000)**		(813,256)
			(680,734)		**214,887**
Financing	2		**1,163,918**		(649,353)
Increase/(Decrease) in cash in the period			**£483,184**		**£(434,466)**
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		**483,184**		**(434,466)**	
Cash outflow from decrease in debt and lease financing		**33,163**		16,092	
Change in net debt resulting from cash flows			**516,347**		(418,374)
New finance leases			**(52,595)**		(20,595)
Movement in net debt in the period			**463,752**		**(438,969)**
Net (debt)/funds at 1 April			**(195,972)**		**242,997**
Net funds/(debt) at 31 March			**£267,780**		**£(195,972)**

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement for the Year Ended 31 March 2004

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.3.04 £	31.3.03 £
Operating profit	**336,395**	1,057,213
Depreciation charges	**34,907**	29,890
Loss on sale of fixed assets	**-**	2,993
Profit on sale of fixed assets	**(3,264)**	-
(Increase)/Decrease in stocks	**(441,028)**	192,089
Decrease in debtors	**111,309**	252,914
Decrease in creditors	**(204,787)**	(215,594)
Net cash (outflow)/inflow from operating activities	**(166,468)**	1,319,505

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.04 £	31.3.03 £
Returns on investments and servicing of finance		
Interest received	**367**	2,500
Interest paid	**(1,583)**	(197)
Interest element of hire purchase payments	**(6,076)**	(4,708)
Net cash outflow for returns on investments and servicing of finance	**(7,292)**	(2,405)
Capital expenditure		
Purchase of tangible fixed assets	**(13,500)**	(12,305)
Sale of tangible fixed assets	**23,709**	19,500
Net cash inflow for capital expenditure	**10,209**	7,195
Financing		
New loan taken out in year	**1,466,325**	-
Loan repayments in year	**(280,000)**	(630,000)
Hire purchase repayments	**(22,407)**	(19,353)
Net cash inflow/(outflow) from financing	**1,163,918**	(649,353)

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement for the Year Ended 31 March 2004

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.03 £	Cash flow £	Other non-cash changes £	At 31.3.04 £
Net cash:				
Cash at bank and in hand	26,762	300,667		327,429
Bank overdraft	(182,517)	182,517		-
	(155,755)	483,184		327,429
Debt:				
Hire purchase	(40,217)	33,163	(52,595)	(59,649)
	(40,217)	33,163	(52,595)	(59,649)
Total	(195,972)	516,347	(52,595)	267,780
Analysed in Balance Sheet				
Cash at bank and in hand	26,762			327,429
Bank overdraft	(182,517)			-
Hire purchase				
within one year	(14,158)			(18,206)
after one year	(26,059)			(41,443)
	(195,972)			267,780

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts for the Year Ended 31 March 2004

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents amounts receivable for properties sold. Sales are recognised on the exchange of contracts.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	- in accordance with the property
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks
Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions
The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.3.04	31.3.03
	£	£
Wages and salaries	**485,223**	491,647
Social security costs	**56,042**	50,451
Other pension costs	**14,884**	13,292
	556,149	555,390

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

	31.3.04	31.3.03
	9	8

Notes to the Abbreviated Accounts for the Year Ended 31 March 2004

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.3.04	31.3.03
	£	£
Hire of plant and machinery	3,288	4,341
Depreciation - owned assets	16,328	20,133
Depreciation - assets on hire purchase contracts	18,579	9,757
(Profit)/Loss on disposal of fixed assets	(3,264)	2,993
Auditors' remuneration	3,000	3,000
Directors' emoluments	319,733	343,431

Information regarding the highest paid director is as follows:

	31.3.04	31.3.03
	£	£
Emoluments etc	182,700	165,125

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.04	31.3.03
	£	£
Bank interest	1,583	197
Hire purchase interest	6,076	4,708
	7,659	4,905

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.04	31.3.03
	£	£
Current tax:		
UK corporation tax	70,450	317,010
Tax on profit on ordinary activities	70,450	317,010

6. DIVIDENDS

	31.3.04	31.3.03
	£	£
Equity shares:		
Interim	210,000	813,256
Final - share type 1	30,000	-
	240,000	813,256

Notes to the Abbreviated Accounts for the Year Ended 31 March 2004

7. TANGIBLE FIXED ASSETS

	Leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 April 2003	**52,357**	**10,547**	**40,654**	**92,239**	**195,797**
Additions	**-**	**-**	**-**	**66,095**	**66,095**
Disposals	**-**	**-**	**-**	**(58,982)**	**(58,982)**
At 31 March 2004	**52,357**	**10,547**	**40,654**	**99,352**	**202,910**
DEPRECIATION:					
At 1 April 2003	**41,439**	**6,350**	**25,486**	**39,496**	**112,771**
Charge for year	**10,468**	**1,049**	**3,792**	**19,598**	**34,907**
Eliminated on disposals	**-**	**-**	**-**	**(38,537)**	**(38,537)**
At 31 March 2004	**51,907**	**7,399**	**29,278**	**20,557**	**109,141**
NET BOOK VALUE:					
At 31 March 2004	**450**	**3,148**	**11,376**	**78,795**	**93,769**
At 31 March 2003	10,918	4,197	15,168	52,743	83,026

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
At 1 April 2003	**72,806**
Additions	**66,095**
Disposals	**(43,982)**
At 31 March 2004	**94,919**
DEPRECIATION:	
At 1 April 2003	**27,302**
Charge for year	**18,579**
Eliminated on disposals	**(27,887)**
At 31 March 2004	**17,994**
NET BOOK VALUE:	
At 31 March 2004	**76,925**
At 31 March 2003	45,504

Notes to the Abbreviated Accounts for the Year Ended 31 March 2004

8. **STOCKS**

	31.3.04	31.3.03
	£	£
Work in progress	**3,930,355**	3,489,327

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.04	31.3.03
	£	£
V.A.T.	**97,688**	271,610
Trade debtors	**391,050**	163,640
Other debtors	**20,830**	174,550
Prepayments & accrued income	**-**	11,077
	509,568	620,877

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.04	31.3.03
	£	£
Bank loans and overdrafts (see note 12)	**1,481,129**	462,517
Trade creditors	**109,255**	289,173
Hire purchase	**18,206**	14,158
Dividend proposed	**30,000**	-
Social security & other taxes	**16,818**	30,621
Taxation	**80,173**	316,906
Accrued expenses	**5,580**	20,694
	1,741,161	1,134,069

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.04	31.3.03
	£	£
Hire purchase contracts (see note 13)	**41,443**	26,059

Notes to the Abbreviated Accounts for the Year Ended 31 March 2004

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.3.04 £	31.3.03 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	182,517
Bank loans	**1,481,129**	280,000
	1,481,129	462,517

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.3.04 £	31.3.03 £
Gross obligations repayable:		
Between one and five years	**41,443**	26,059
Net obligations repayable:		
Between one and five years	**41,443**	26,059

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.04 £	31.3.03 £
Bank overdrafts	-	182,517
Bank loans	**1,481,129**	280,000
	1,481,129	462,517

Bank overdraft and loans are secured over the development properties included in work in progress.

15. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.3.04 £	31.3.03 £
5,000,000	Ordinary shares	1	**5,000,000**	5,000,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.04 £	31.3.03 £
3,046,002	Ordinary shares	1	**3,046,002**	3,046,002

Notes to the Abbreviated Accounts for the Year Ended 31 March 2004

16. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.3.04	31.3.03
	£	£
Profit for the financial year	**258,653**	737,798
Dividends	**(240,000)**	(813,256)
Net addition/(reduction) to shareholders' funds	**18,653**	(75,458)
Opening shareholders' funds	**3,059,864**	3,135,322
Closing shareholders' funds	**3,078,517**	3,059,864
Equity interests	**3,078,517**	3,059,864