

Registered number : 1577251

BUGLER DEVELOPMENTS LIMITED

**Financial Statements
31 March 2003**



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BUGLER DEVELOPMENTS LIMITED

Financial statements for the year ended 31 March 2003

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BUGLER DEVELOPMENTS LIMITED

Company information

Directors

T P Bugler (Chairman)
A T Bugler
D P Bugler
P Hill
M Seaton

Secretary

E Loughlin

Registered office

1 Norfolk Road
Rickmansworth
Hertfordshire
WD3 1JY

Registered number

1577251

Auditors

Chantrey Vellacott DFK
Gresham House
53 Clarendon Road
Watford
Herts
WD17 1LR

Bankers

Allied Irish Bank plc
629-635 Holloway Road
London
N19 5SU

Solicitors

Turbervilles with Nelson Cuff
27 Station Road
Harrow
Middlesex
HA1 2BZ

Chantrey Vellacott DFK

BUGLER DEVELOPMENTS LIMITED

Directors' report for the year ended 31 March 2003

The directors present their report and the financial statements of the company for the year ended 31 March 2003.

Review of the business

The principal activity is as a private housing contractor and as a design and build contractor.

During the year the activities of the group were restructured so that land for housing development is purchased by another group company. Bugler Developments Limited is now primarily a contractor on these and other construction projects. The directors consider the results for the year to be satisfactory.

The directors look forward to a further successful year and expect an increase in turnover and profits.

Results and dividends

The results for the year ended 31 March 2003 are shown in the profit and loss account on page 5. The profit for the year after taxation was £240,451.

The directors do not recommend payment of an ordinary dividend.

Directors

The directors who served during the year were:

T P Bugler
A T Bugler
D P Bugler
P Hill
M Seaton (Appointed 2 September 2002)

Directors' interests in shares

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2003	1 April 2002
T P Bugler	-	-
A T Bugler	-	-
D P Bugler	-	-
P Hill	-	-
M Seaton	-	-

The interests of T P Bugler, D P Bugler and A T Bugler in Bugler Holdings Limited are disclosed in the financial statements of that company. None of the directors had any interest in any other group company.

Charitable donations	2003	2002
	£	£
During the year the company made the following payments:		
Charitable donations	3,124	-

Directors' report for the year ended 31 March 2003 (continued)

Auditors

A resolution to reappoint Chantrey Vellacott DFK as auditors of the company will be proposed at the Annual General Meeting.

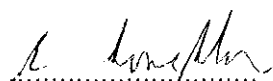
Directors' responsibilities

Company law requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of its financial year and of the profit or loss of the company for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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.

Signed on behalf of the Board



E LOUGHLIN
Secretary

Approved by the Board on 18/12/03

Independent auditors' report to the shareholders of Bugler Developments Limited

We have audited the financial statements of Bugler Developments Limited for the year ended 31 March 2003 which are set out on pages 5 to 16. These financial statements have been prepared under the historical cost convention and 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 auditor's 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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with 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 or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board of the Accountancy Foundation. 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 the company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT DFK

**Chartered Accountants
Registered Auditors**

WATFORD

11/14/03

BUGLER DEVELOPMENTS LIMITED

Profit and loss account for the year ended 31 March 2003

	Notes	2003 £	2002 £
Turnover	2	13,426,492	9,766,612
Cost of sales		12,009,444	8,684,058
Gross profit		1,417,048	1,082,554
Administrative expenses		1,064,959	818,970
Operating profit		352,089	263,584
Interest receivable and similar income	3	15,927	17,025
Interest payable and similar charges	4	(3,177)	(15,255)
Profit on ordinary activities before taxation	5	364,839	265,354
Tax on profit on ordinary activities	8	124,388	76,698
Profit for the year	15	240,451	188,656

None of the company's activities was acquired or discontinued during the above two financial years.

The company has no recognised gains and losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profits shown above and their historical cost equivalents.

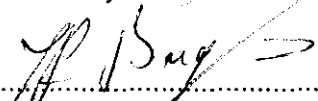
The notes on pages 8 to 16 form part of these financial statements.

BUGLER DEVELOPMENTS LIMITED

Balance sheet at 31 March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	9	73,065	70,875
Current assets			
Stocks	10	2,093,022	1,104,864
Debtors	11	4,112,321	3,060,592
Cash at bank and in hand		137,316	12,172
		<u>6,342,659</u>	<u>4,177,628</u>
Creditors: amounts falling due within one year	12	(5,207,923)	(3,282,139)
Net current assets		<u>1,134,736</u>	<u>895,489</u>
Total assets less current liabilities		<u>1,207,801</u>	<u>966,364</u>
Creditors: amounts falling due after more than one year	13	(3,720)	(2,734)
		<u>1,204,081</u>	<u>963,630</u>
Capital and reserves			
Called up share capital	14	50,100	50,100
Profit and loss account	15	1,153,981	913,530
Shareholders' funds	16	<u>1,204,081</u>	<u>963,630</u>

Approved by the Board on 11/12/03... and signed on its behalf.


 T P BUGLER - Director


 D P BUGLER - Director

The notes on pages 8 to 16 form part of these financial statements.

BUGLER DEVELOPMENTS LIMITED**Cash flow statement for the year 31 March 2003**

	Notes	2003 £	2002 £
Net cash inflow from operating activities	17 a	1,166,744	181,921
Returns on investments and servicing of finance			
Interest received		15,927	17,025
Interest paid		(3,177)	(15,255)
Net cash inflow from returns on investments and servicing of finance		12,750	1,770
Taxation		(100,736)	(60,000)
Capital expenditure			
Payments to acquire tangible assets		(35,714)	(28,008)
Receipts from sales of tangible assets		19,193	192,749
Net cash (outflow)/inflow for capital expenditure		(16,521)	164,741
Net cash inflow before management of liquid resources and financing		1,062,237	288,432
Financing			
Other new short term loans		-	1,078,385
Repayment of long term bank loan		-	(41,493)
Repayment of other short term loans		(718,385)	(1,359,435)
Capital element of hire purchase contracts		(10,926)	(33,381)
Net cash outflow from financing		(729,311)	(355,924)
Increase/(decrease) in cash in the year	17 b,c	332,926	(67,492)

The notes on pages 8 to 16 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2003**1 Accounting policies****a) Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting.

b) Depreciation of tangible fixed assets

Depreciation is not charged on expenditure on assets not yet in use. Depreciation on other tangible fixed assets is charged so as to write off their full costs less estimated residual value over their expected useful lives as follows:

Leasehold improvements	over the period of the lease
Plant and machinery	over 10 years
Computer and office equipment	over 3, 4 and 10 years
Motor vehicles	over 2 years and 4 years

c) Contracts and work in progress

Work in progress is valued at the lower of cost and net realisable value and reflects the accumulation of development costs prior to the start of construction.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

d) Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

e) Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to profit and loss account over the term of each agreement and approximates a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account as they fall due.

f) Pensions

The company provides a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to this scheme are charged to the profit and loss account as they become payable.

2 Turnover

Turnover represents the amounts receivable for goods and services excluding VAT arising wholly within the United Kingdom.

BUGLER DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2003 (continued)

3	Interest receivable and similar income	2003	2002
		£	£
	Other interest	<u>15,927</u>	<u>17,025</u>
4	Interest payable and similar charges	2003	2002
		£	£
	On bank loans and overdrafts wholly repayable within 5 years	2,575	10,631
	On obligations under hire purchase agreements	602	4,624
		<u>3,177</u>	<u>15,255</u>
5	Profit on ordinary activities before taxation	2003	2002
		£	£
	This is stated after charging:		
	Depreciation	25,953	44,590
	Hire of plant and machinery	280,795	143,521
	Operating lease rentals:		
	Land and buildings	55,731	57,000
	Directors' emoluments (note 6)	344,712	315,005
	Auditors' remuneration:		
	In respect of audit services	<u>6,250</u>	<u>5,550</u>
	and after crediting:		
	Profit on disposal of tangible fixed assets	<u>4,182</u>	<u>22,047</u>
6	Directors' emoluments	2003	2002
		£	£
	Emoluments for qualifying services	336,212	299,220
	Company pension contributions to money purchase schemes	8,500	15,785
		<u>344,712</u>	<u>315,005</u>
The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2002 - 4).			
Emoluments disclosed above include the following amounts paid to the highest paid director:			
		2003	2002
		£	£
	Emoluments for qualifying services	78,485	69,892
	Company pension contributions to money purchase schemes	<u>2,625</u>	<u>8,500</u>

BUGLER DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2003 (continued)

7 Employee information	2003 £	2002 £
Staff costs:		
Wages and salaries	1,430,248	1,159,390
Social security costs	145,812	117,322
Other pension costs	25,877	26,954
	<u>1,601,937</u>	<u>1,303,666</u>

The average monthly number of persons employed during the year, including executive directors, was made up as follows:

	Number	Number
Office and management	17	14
Site workers	26	22
	<u>43</u>	<u>36</u>

8 Taxation	2003 £	2002 £
Domestic current year tax		
U.K. corporation tax	120,647	80,439
Current tax charge	<u>120,647</u>	<u>80,439</u>
Deferred tax		
Deferred tax charge/(credit) current year	3,741	(3,741)
Tax on profit on ordinary activities	<u>124,388</u>	<u>76,698</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>364,839</u>	<u>265,354</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 - 30.00 %)	<u>109,452</u>	<u>79,606</u>
Effects of:		
Non deductible expenses	14,931	13,813
Depreciation add back	6,531	13,377
Capital allowances	(7,802)	(14,392)
Chargeable disposals	-	(6,614)
Other tax adjustments	(2,465)	(5,351)
	<u>11,195</u>	<u>833</u>
Current tax charge	<u>120,647</u>	<u>80,439</u>

Notes to the financial statements for the year ended 31 March 2003
(continued)

9 Tangible fixed assets	Leasehold improvements	Plant and machinery	Computer and office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost:					
At 1 April 2002	7,350	3,920	41,449	90,573	143,292
Additions	4,741	-	25,313	13,100	43,154
Disposals	-	-	-	(50,525)	(50,525)
At 31 March 2003	12,091	3,920	66,762	53,148	135,921
Depreciation:					
At 1 April 2002	735	3,121	24,084	44,477	72,417
Provision for the year	1,091	103	8,855	15,904	25,953
Adjustments for disposals	-	-	-	(35,514)	(35,514)
At 31 March 2003	1,826	3,224	32,939	24,867	62,856
Net book value:					
At 31 March 2003	10,265	696	33,823	28,281	73,065
At 31 March 2002	6,615	799	17,365	46,096	70,875

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book value	20,177
Depreciation provided during the year	8,490

10 Stocks	2003 £	2002 £
Work in progress	2,093,022	1,104,864

**Notes to the financial statements for the year ended 31 March 2003
(continued)**

11 Debtors	2003 £	2002 £
Trade debtors	1,115,602	2,429,420
Amounts recoverable on long term contracts	1,540,423	25,000
Amounts owed by group undertakings	1,075,979	238,349
Other debtors	364,697	321,316
Prepayments and accrued income	15,620	42,766
Deferred tax asset	-	3,741
	<u>4,112,321</u>	<u>3,060,592</u>

Deferred tax

	2003 £	
Balance at 1 April 2002	3,741	
Profit and loss account	(3,741)	
	<u>-</u>	
Balance at 31 March 2003	<u>-</u>	
	2003 £	2002 £
Accelerated capital allowances	-	3,741

Other debtors include £274,563 (2002 - £236,556) due from DKA Investments Limited (formerly Bugler Investments Limited), a company which is jointly owned by three of the company's directors, T P Bugler, K T Bugler and D P Bugler. Movements in the year ended 31 March 2003 comprised charges for rental of £55,731 (2002 - £54,882) and a loan interest of £15,927 (2002 - £17,025).

BUGLER DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2003 (continued)

12 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loan	-	718,385
Bank overdraft	-	207,782
Amounts received on account	2,059,048	-
Obligations under finance lease and hire purchase agreements	8,307	12,779
Trade creditors	1,140,581	1,508,681
Corporation tax	119,255	99,344
Other taxes and social security costs	41,914	39,670
Director's current account	12,931	748
Accruals and deferred income	1,825,887	694,750
	<u>5,207,923</u>	<u>3,282,139</u>
Debt due in one year or less	-	718,385

The bank loans and overdraft facility are secured over all the assets of the company.

Director's current account represents a loan from T P Bugler amounting to £12,931 (2002 - £748) which has no fixed repayment and is unsecured. No interest was charged on the loan during the year.

Other creditors are secured on the land at the company's development site in Sudbury.

13 Creditors: amounts falling due after more than one year	2003 £	2002 £
Obligations under finance leases and hire purchase agreements	<u>3,720</u>	<u>2,734</u>
Obligations under finance leases and hire purchase agreements		
In one year or less	8,909	13,890
Between two and five years	4,020	2,978
	<u>12,929</u>	<u>16,868</u>
Finance charges and interest allocated to future accounting periods	(902)	(1,355)
	<u>12,027</u>	<u>15,513</u>
Included in current liabilities	<u>(8,307)</u>	<u>(12,779)</u>
	<u>3,720</u>	<u>2,734</u>

Obligation under finance leases and hire purchase contracts are secured on the assets to which they relate.

BUGLER DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2003 (continued)

14 Called up share capital	2003	2002
	£	£
Authorised		
Equity shares:		
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
Equity shares:		
50,100 Ordinary shares of £ 1 each	<u>50,100</u>	<u>50,100</u>
15 Reserves		Profit and loss account
		£
At 1 April 2002		913,530
Profit retained for the year		<u>240,451</u>
At 31 March 2003		<u>1,153,981</u>
16 Reconciliation of movement on shareholders' funds	2003	2002
	£	£
Profit for the financial year	240,451	188,656
Opening shareholders' funds	<u>963,630</u>	<u>774,974</u>
Closing shareholders' funds	<u>1,204,081</u>	<u>963,630</u>

Shareholders' funds are fully attributable to equity interests.

BUGLER DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2003 (continued)

17 Notes to the cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities		2003	2002
		£	£
Operating profit		352,089	263,584
Depreciation of tangible assets		25,953	44,590
Profit on disposal of tangible assets		(4,182)	(22,047)
Increase in stocks		(988,158)	(193,521)
Increase in debtors		(1,055,470)	(839,846)
Increase in creditors within one year		2,836,512	929,161
Net cash inflow from operating activities		1,166,744	181,921

b) Analysis of changes in net funds/(debt)	1 April 2002	Cash flow	Other non-cash changes	31 March 2003
	£	£	£	£
Net cash:				
Cash at bank and in hand	12,172	125,144	-	137,316
Bank overdrafts	(207,782)	207,782	-	-
	(195,610)	332,926	-	137,316
Debt:				
Finance leases	(15,513)	10,926	(7,440)	(12,027)
Debt falling due within one year	(718,385)	718,385	-	-
	(733,898)	729,311	(7,440)	(12,027)
Net (debt)/funds	(929,508)	1,062,237	(7,440)	125,289

c) Reconciliation of net cash flow to movement in net funds/(debt)		2003	2002
		£	£
Increase/(decrease) in cash in the year		332,926	(67,492)
Cash outflow from decrease in debt and lease financing		729,311	355,924
Change in net funds/(debt) resulting from cash flows		1,062,237	288,432
New finance lease		(7,440)	(16,015)
Movement in net funds/(debt) in the year		1,054,797	272,417
Opening net debt		(929,508)	(1,201,925)
Closing net funds/(debt)		125,289	(929,508)

BUGLER DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2003 (continued)

18 Contingent liabilities

There is a cross-guarantee in place in respect of bank facilities of group companies up to £2,500,000 and an associated company, DKA investments Limited, up to £220,000. At 30 June 2003 bank loans of £285,000 of a fellow subsidiary company, Bugler Homes Limited, were secured under the guarantee.

19 Lease commitments

The company's commitments for rental payments under operating leases payable during the year to 31 March 2004 are as follows:

	Land and buildings	Other operating leases
	£	£
Leases expiring:		
Between two and five years	-	7,621
Over five years	56,672	-
	<u>56,672</u>	<u>7,621</u>

20 Control

The ultimate parent company is Bugler Holdings Ltd, this company is controlled by members of the Bugler family, though no one individual has overall control. Consolidated accounts are not prepared by the ultimate parent company as it has taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

21 Related party transactions

During the year Bugler Developments Limited provided services to Bugler Homes Limited, a fellow subsidiary, of £791,392 (2002 - £382,500) and re-charged overheads of £220,583 (2002 - £130,000). Bugler Homes Limited charged a management fee of £Nil (2002 - £85,000) to Bugler Developments Limited. At the year end a balance of £1,075,979 (2002 - £238,349) was owed by Bugler Homes Limited to Bugler Developments Limited.

BUGLER DEVELOPMENTS LIMITED

Detailed trading and profit and loss account for the year ended 31 March 2003

	2003		2002	
	£	£	£	£
Turnover				
Sales		13,196,492		9,641,612
Fees receivable		230,000		125,000
		<u>13,426,492</u>		<u>9,766,612</u>
Cost of sales				
Opening work in progress	1,129,864		911,343	
Materials and site services	3,172,101		2,806,093	
Land purchase	2,080,148		712,748	
Subcontractors	6,987,995		4,956,165	
Legal and agents	56,818		44,367	
Statutory authorities	72,182		1,760	
Hire of plant and machinery	269,092		139,356	
Architects and surveyors	334,163		241,987	
Depreciation on plant and machinery	103		103	
	<u>14,102,466</u>		<u>9,813,922</u>	
Closing work in progress	(2,093,022)		(1,129,864)	
		<u>12,009,444</u>		<u>8,684,058</u>
Gross profit	10.55%	1,417,048	11.08%	1,082,554
Other interest received		15,927		17,025
		<u>1,432,975</u>		<u>1,099,579</u>
Administrative expenses		1,068,136		834,225
		<u>364,839</u>		<u>265,354</u>
Net profit for the year				

BUGLER DEVELOPMENTS LIMITED

Detailed trading and profit and loss account for the year ended 31 March 2003

	2003 £	2002 £
Administrative expenses		
Wages, salaries and employer's N.I.	329,298	228,461
Directors' remuneration	327,466	283,545
Directors' pension costs	8,500	15,785
Staff pension costs	17,377	11,169
Rent and rates	70,371	70,939
Insurance	45,306	22,506
Light and heat	3,399	838
Repairs and maintenance	15,012	12,605
Printing, postage and stationery	30,625	18,754
Advertising	6,482	7,053
CITB levy	22,364	1,021
Telephone	16,662	11,465
Hire of equipment	11,703	4,165
Motor and travel	38,578	28,941
Entertaining	47,001	38,719
Legal and professional	22,672	11,876
Audit and accountancy fees	6,250	5,550
Bank charges	4,122	6,032
Bank interest paid	2,575	10,631
Hire purchase interest paid	602	4,624
Sundry expenses	20,103	17,106
Depreciation on freehold premises	1,091	3,063
Depreciation on fixtures and fittings	8,855	5,407
Depreciation on motor vehicles	15,904	36,017
Profit on disposal of tangible assets	(4,182)	(22,047)
	<u>1,068,136</u>	<u>834,225</u>