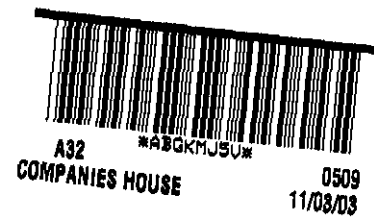


REGISTERED NUMBER
01629783
England and Wales

THAMES VALE DEVELOPMENTS LIMITED

STATEMENT OF ACCOUNTS

AS AT 31ST DECEMBER 2002



THAMES VALE DEVELOPMENTS LIMITED

NO 1 REGIUS COURT, CHURCH ROAD, PENN
BUCKINGHAMSHIRE HP10 8RL

REPORT AND STATEMENT OF ACCOUNTS – 31ST DECEMBER 2002

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THAMES VALE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the statement of accounts for the year ended 31st December 2002.

Directors' Responsibilities for the Financial Statements

Company law in the United Kingdom 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
- 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.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activity and Business Review

The principal activity of the company has continued to be that of property development.

The profit for the year after taxation amounted to £419,854 (2001 : £458,880). The directors consider the results for the year to be satisfactory.

The directors do not recommend payment of a dividend (2001 : £Nil)

THAMES VALE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

Directors

The directors who served the company during the year and their interests in the share capital of the company were as follows:

<u>Ordinary Shares of £1</u>	<u>31st December 2002</u>	<u>1st January 2002</u>
Mr N G King	Nil	Nil
Mr G R Eastham	Nil	Nil
Mr P J Merry	Nil	Nil
Mr K Speller	Nil	Nil
Mrs S Jacquest	Nil	Nil

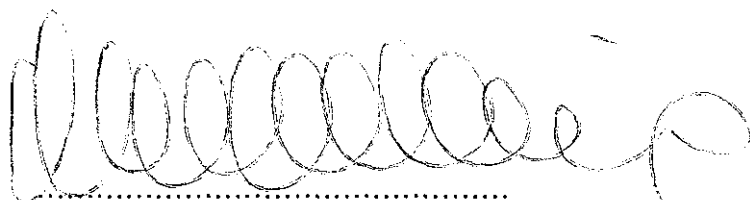
Mr N G King owns 75% of the share capital of Nicholas King Homes Holdings Plc, the ultimate holding company of Thames Vale Developments Limited.

The directors do not have any options to subscribe to shares in Thames Vale Developments Limited or any other group companies.

Auditors

A resolution will be proposed at the annual general meeting to re-appoint Grant Thornton as auditors to the company for the ensuing year.

Signed on behalf of the board of directors



N G KING (Chairman)

Approved by the board on

3rd March 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

THAMES VALE DEVELOPMENTS LIMITED

We have audited the financial statements of Thames Vale Developments Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the cash flow statement, and notes 1 to 17 on pages 7-11. 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 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

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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 specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We 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. 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 circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that 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 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH

Date: 5 March 2003

THAMES VALE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31ST DECEMBER 2002

	Notes	2002 £000's	2001 £000's
Turnover	1	769	3,038
Cost of sales		<u>(577)</u>	<u>(2,526)</u>
Gross profit		192	512
Administrative expenses		<u>(2)</u>	<u>(3)</u>
Operating profit		190	509
Interest payable and similar charges	2	<u>(65)</u>	<u>(50)</u>
Profit on ordinary activities before taxation	3	125	459
Tax on profit on ordinary activities	4	<u>294</u>	<u>-</u>
Profit on ordinary activities after taxation		419	459
Dividends		<u>-</u>	<u>-</u>
Retained profit for the year		419	459
Retained profit brought forward		<u>980</u>	<u>521</u>
Retained profit carried forward		<u>1,399</u>	<u>980</u>

Continuing Operations

None of the company's activities were acquired or discontinued during the above year.

Total Recognised Gains and Losses

The company had no recognised gains or losses other than the profit or loss for the above periods.

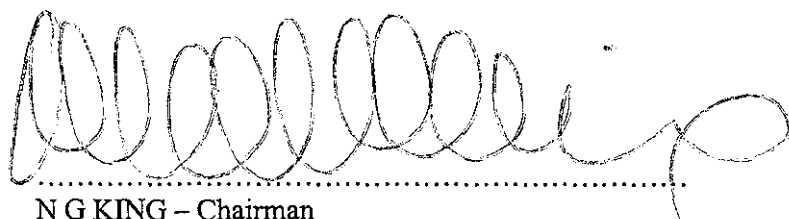
The attached notes form part of these accounts.

THAMES VALE DEVELOPMENTS LIMITED

BALANCE SHEET AT 31ST DECEMBER 2002

	Notes	£000's	2002 £000's	£000's	2001 £000's
<u>Current Assets</u>					
Work in progress	5	4,078		1,388	
Amounts owed by parent undertaking		-		442	
Debtors	6	294		-	
		<u>4,372</u>		<u>1,830</u>	
<u>Creditors:</u>					
Amounts falling due within one year	7	<u>2,972</u>		<u>849</u>	
<u>Net Current Assets</u>			<u>1,400</u>		<u>981</u>
<u>Total Assets less Current Liabilities</u>			<u>1,400</u>		<u>981</u>
<u>Capital and Reserves</u>					
Called up share capital	10		1		1
Profit and loss account			<u>1,399</u>		<u>980</u>
<u>Equity shareholders' funds</u>	11		<u>1,400</u>		<u>981</u>

Signed on behalf of the board of directors



N G KING – Chairman

Approved by the board on 3rd March 2003

The attached notes form part of these accounts.

THAMES VALE DEVELOPMENTS LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2002

	£000's	2002 £000's	£000's	2001 £000's
Cashflow from operating activities (note 14)		(907)		120
<u>Returns on investments and servicing finance</u>				
Interest paid		(65)		(50)
<u>Financing</u>				
Loans to acquire sites	972		799	
Loan repayments	<u>-</u>		<u>(870)</u>	
		<u>972</u>		<u>(71)</u>
Decrease in cash (note 13)		<u>-</u>		<u>(1)</u>

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with the Companies Act 1985 and with applicable United Kingdom Accounting Standards and on the historical cost and going concern basis.

b) Turnover

Turnover consists of property sales, net of discounts, excluding value added tax. Properties are treated as sales and included in turnover only when legal completion takes place within the financial year.

c) Work in Progress

Work in progress is valued at direct cost less foreseeable losses.

d) Deferred Taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

e) Related Party Disclosure

The company has adopted the provisions of FRS8 Related Party Disclosures. The company has utilised the exemption available under FRS8 allowing non-disclosure of transactions with group companies eliminated upon consolidation where the subsidiaries are over 90% owned.

2. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £000's	2001 £000's
Bank loan interest	<u>65</u>	<u>50</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2002 £000's	2001 £000's
Auditors remuneration	<u>2</u>	<u>2</u>

The average number of employees during the year including directors classified as administrative and site was 6 (2001: 6).

Neither the Directors nor employees received any remuneration for their services in either year.

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £000's	2001 £000's
The tax charge represents:		
Corporation tax at 30% (2001 : 30%)	-	-
Total current tax	-	-
Total deferred tax	(294)	-
Tax on profit on ordinary activities	(294)	-

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 30% (2001 : 30%).

The differences are explained as follows:

	2002 £000's	2001 £000's
Profit on ordinary activities before tax	125	459
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2001 : 30%)	38	138
Effect of:		
Utilisation of tax losses	(38)	(138)
Current tax charge for period	-	-

5. WORK IN PROGRESS

	2002 £000's	2001 £000's
Short term work in progress	4,078	1,388

Work in progress is subject to legal charges as security for bank borrowings.

6. DEBTORS

	2002 £000's	2001 £000's
Deferred tax	294	-

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £000's	2001 £000's
Bank loans and overdrafts	1,771	799
Other creditors	16	48
Accruals	2	2
Amounts owed to parent undertaking	1,183	-
	<u>2,972</u>	<u>849</u>

Bank loans and overdrafts are secured by fixed and floating charges over the assets and undertakings of the company. They are also secured by unlimited cross guarantees from Nicholas King Homes Holdings Plc and Nicholas King Homes Plc.

8. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Tax (Asset)/Liability (Note 9) £000's
At 1 January 2002	-
Provided during the year	294
At 31 December 2002	<u>294</u>

9. DEFERRED TAXATION

	2002 £000's	2001 £000's
Tax losses carried forward	<u>294</u>	<u>-</u>

During the year the company agreed tax losses of £1,106,409 with the inspector of taxes which will be used against future trading profits and are recognised as a deferred tax asset arising in the period in accordance with FRS 19, deferred tax.

10. CALLED UP SHARE CAPITAL

	2002 £000's	2001 £000's
<u>Authorised</u>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<u>Allotted, called up and fully paid</u>	£000's	£000's
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £000's	2001 £000's
Profit for the financial year	419	459
Opening shareholders' funds	981	522
	<hr/>	<hr/>
Closing shareholders' funds	1,400	981
	<hr/>	<hr/>

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors consider the ultimate parent company and controlling related party to be Nicholas King Homes Holdings Plc which is incorporated in England and Wales. Nicholas King Homes Holdings Plc is controlled by Nicholas King a director of Thames Vale Developments Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by Nicholas King Homes Holdings Plc, incorporated in England and Wales and the smallest such group of undertakings, including the company, is that headed by Nicholas King Limited, incorporated in England and Wales. Copies of the group accounts can be obtained at No.1 Regius Court, Church Road, Penn, Bucks, HP10 8RL.

13. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st January 2002 £000's	Cashflow £000's	At 31 st December 2002 £000's
Cash at bank and in hand	-	-	-
Bank loans	(799)	(972)	(1,771)
	<hr/>	<hr/>	<hr/>

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2002 £000's	2001 £000's
Operating profit	190	509
Increase in work in progress	(2,690)	(48)
Decrease/(increase) in debtors	442	(385)
Increase in creditors	1,151	44
	<hr/>	<hr/>
	(907)	120
	<hr/>	<hr/>

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

15. RECONCILIATION OF MOVEMENT IN NET CASHFLOW TO MOVEMENT IN NET DEBT

	2002 £000's	2001 £000's
Increase/(decrease) in cash	-	(1)
(Increase)/decrease in loans	(972)	71
Changes in net debt	(972)	70
Net debt at 1 st January 2002	(799)	(869)
Net debt at 31 st December 2002	(1,771)	(799)

16. CONTINGENT LIABILITIES

There is a bank composite accounting treatment in place between Nicholas King Homes Holdings Plc, Thames Vale Developments Limited, Guildown Developments Limited and Nicholas King Homes plc. At 31st December 2002 the potential liability on this guarantee amounted to £Nil (2001 : £7,099,305).

There were no other contingent liabilities at 31st December 2002 or at 31st December 2001.

17. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2002 or at 31st December 2001.

THAMES VALE DEVELOPMENTS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31ST DECEMBER 2002

	£000's	2002 £000's	£000's	2001 £000's
Sales		769		3,038
Cost of sales				
Expenditure incurred		<u>(577)</u>		<u>(2,526)</u>
Gross profit		192		512
<u>Administrative expenses</u>				
Bank interest	65		50	
NHBC subscription	-		1	
Auditors remuneration	<u>2</u>		<u>2</u>	
		<u>(67)</u>		<u>(53)</u>
<u>Net Profit before taxation</u>		<u>125</u>		<u>459</u>

This page does not form part of the statutory statement of accounts.