

REGISTERED NUMBER

01629783

England and Wales

THAMES VALE DEVELOPMENTS LIMITED

STATEMENT OF ACCOUNTS

AS AT 31ST DECEMBER 2000



THAMES VALE DEVELOPMENTS LIMITED

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

REPORT AND STATEMENT OF ACCOUNTS – 31ST DECEMBER 2000

<u>Contents</u>	<u>Page</u>
Report of the Directors	1 - 2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Cashflow Statement	6
Notes to the Accounts	7 - 10
The following page does not form part of the statutory statement of accounts	
Detailed trading and profit and loss account	11

THAMES VALE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the statement of accounts for the year ended 31st December 2000.

Directors' Responsibilities

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for its financial period. In doing so the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards subject to any material departures disclosed and explained in the accounts
- prepare the accounts 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 accounts 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.

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 £469,881 (1999 : £200,208). The directors consider the results for the year to be satisfactory.

The directors do not recommend payment of a dividend (1999 : £150,000)

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 2000</u>	<u>1st January 2000</u>
Mr N G King	Nil	Nil
Mr G R Eastham	Nil	Nil
Mr P Sidley	Nil	Nil
Mr P J Merry	Nil	Nil
Mr K Speller (appointed 19.12.00)	Nil	Nil

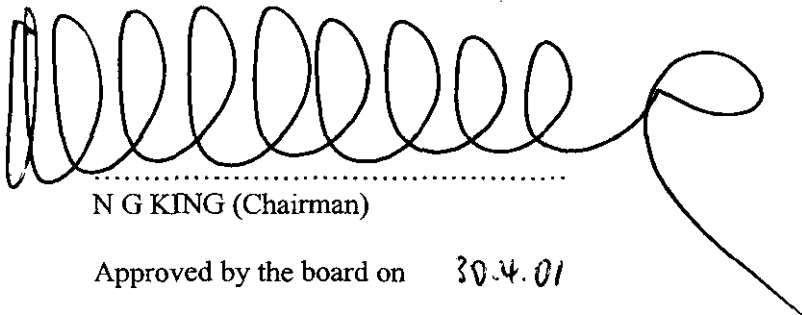
Mr N G King owns 75% of the share capital of Nicholas King Homes Holdings Plc, the ultimate holding company of Thames Vale Developments Limited.

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 30.4.01

REPORT OF THE AUDITORS TO THE MEMBERS OF
THAMES VALE DEVELOPMENTS LIMITED

We have audited the financial statements on pages 4 to 10, which have been prepared under the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

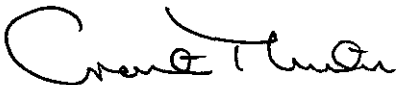
BASIS OF OPINION

We conducted our audit in accordance with 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 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 31st December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
LONDON THAMES VALLEY OFFICE
SLOUGH**

Date: 4 May 2001

THAMES VALE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31ST DECEMBER 2000

	Notes	2000 £000's	1999 £000's
Turnover	1	2,274	979
Cost of sales		<u>(1,753)</u>	<u>(742)</u>
Gross Profit		521	237
Administrative expenses		<u>(2)</u>	<u>(2)</u>
Operating profit		519	235
Interest payable and similar charges	2	<u>(49)</u>	<u>(35)</u>
Profit on ordinary activities before taxation	3	470	200
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		470	200
Dividends	5	<u>-</u>	<u>(150)</u>
Retained profit for the year		470	50
Retained profit brought forward		<u>51</u>	<u>1</u>
Retained profit carried forward		<u>521</u>	<u>51</u>

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial periods.

Total Recognised Gains and Losses

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

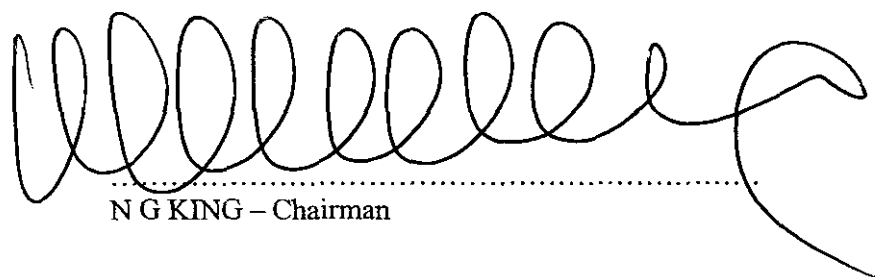
The attached notes form part of these accounts.

THAMES VALE DEVELOPMENTS LIMITED

BALANCE SHEET AT 31ST DECEMBER 2000

	Notes	£000's	2000 £000's	£000's	1999 £000's
<u>Current Assets</u>					
Work in progress	6	1,340		1,030	
Cash at bank		1		-	
Amounts owned by parent undertaking		57		-	
		<u>1,398</u>		<u>1,030</u>	
<u>Creditors:</u>					
Amounts falling due within one year	7	<u>876</u>		<u>978</u>	
<u>Net Current Assets</u>			<u>522</u>		<u>52</u>
<u>Total Assets less Current Liabilities</u>			<u>522</u>		<u>52</u>
<u>Capital and Reserves</u>					
Called up share capital	8		1		1
Profit and loss account			<u>521</u>		<u>51</u>
<u>Equity shareholders' funds</u>	9		<u>522</u>		<u>52</u>

Signed on behalf of the board of directors



.....
N G KING – Chairman

Approved by the board on 30.4.01

The attached notes form part of these accounts.

THAMES VALE DEVELOPMENTS LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2000

	£000's	2000 £000's	£000's	1999 £000's
Cashflow from operating activities (note12)		(173)		(220)
<u>Returns on investments and servicing finance</u>				
Interest paid		(49)		(35)
Equity Dividends paid		-		(150)
<u>Financing</u>				
Loans to acquire sites	870		647	
Loan repayments	<u>(647)</u>		<u>(245)</u>	
		<u>223</u>		<u>402</u>
Increase/(Decrease) in cash (note 11)		<u>1</u>		<u>(3)</u>

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with the Companies Act 1985 and with applicable 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 taxation is provided/credited where the accounting and taxation treatment of income or expenditure is materially different.

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

	2000 £000's	1999 £000's
Bank overdraft interest	<u>49</u>	<u>35</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2000 £000's	1999 £000's
Auditors remuneration	<u>2</u>	<u>1</u>

The average number of employees during the year including directors classified as administrative and site was 6 (1999:5)

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 2000

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

No provision has been made for corporation tax due to substantial trading losses brought forward from prior periods. The losses have not yet been agreed, however the Directors are confident that the Inland Revenue will agree the losses. The potential corporation tax liability to date is approximately £300,000. This amount has not been accrued within these accounts.

5. DIVIDENDS

	2000 £000's	1999 £000's
Final dividend paid	<u>-</u>	<u>150</u>

6. WORK IN PROGRESS

	2000 £000's	1999 £000's
Short term work in progress	<u>1,340</u>	<u>1,030</u>

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

7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £000's	1999 £000's
Bank loans and overdrafts	870	647
Amounts owed to parent undertaking	-	324
Other creditors	1	3
Accruals	<u>5</u>	<u>4</u>
	<u>876</u>	<u>978</u>

Bank loans and overdrafts are secured by floating charges over the assets and undertakings of the company.

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2000

8. CALLED UP SHARE CAPITAL

	2000 £000's	1999 £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>	<u>£000's</u>	<u>£000's</u>
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £000's	1999 £000's
Profit for the financial year	470	200
Dividends paid	-	(150)
Opening shareholders' funds	<u>52</u>	<u>2</u>
Closing shareholders' funds	<u>522</u>	<u>52</u>

10. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors consider the ultimate parent company 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.

11. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.00 £000's	Cashflow £	At 31.12.00 £000's
Cash at bank	-	1	1
Bank loans	<u>(647)</u>	<u>(223)</u>	<u>(870)</u>
	<u>(647)</u>	<u>(222)</u>	<u>(869)</u>

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2000

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

	2000 £000's	1999 £000's
Operating profit	519	235
Increase in work in progress	(310)	(601)
Increase in debtors	(57)	-
(Decrease)/Increase in creditors	(325)	146
	<u>(173)</u>	<u>(220)</u>

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

	2000 £000's	1999 £000's
Increase/(Decrease) in cash	1	(3)
Increase in loans	(223)	(402)
Changes in net debt	(222)	(405)
Net debt at 1 st January 2000	(647)	(242)
Net debt at 31 st December 2000	<u>(869)</u>	<u>(647)</u>

14. 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 2000 the potential liability on this guarantee amounted to £6,359,247.

There were no other contingent liabilities at 31 December 2000 or at 31 December 1999, except for current taxation liability as disclosed in note 4.

15. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2000 or at 31st December 1999

THAMES VALE DEVELOPMENTS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31ST DECEMBER 2000

	£000's	2000 £000's	£000's	1999 £000's
Sales		2,274		979
Cost of Sales				
Expenditure incurred		<u>(1,753)</u>		<u>(742)</u>
Gross profit		521		237
<u>Administrative expenses</u>				
Bank interest	49		35	
Bank charges	-		1	
Auditors remuneration	<u>2</u>		<u>1</u>	
		<u>(51)</u>		<u>(37)</u>
<u>Net Profit before taxation</u>		<u>470</u>		<u>200</u>

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