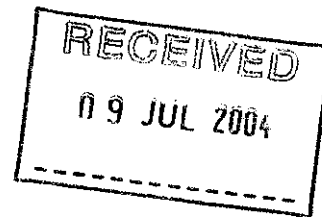


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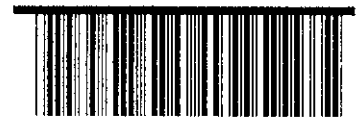
England and Wales



THAMES VALE DEVELOPMENTS LIMITED

STATEMENT OF ACCOUNTS

AS AT 31ST DECEMBER 2003



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THAMES VALE DEVELOPMENTS LIMITED

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

REPORT AND STATEMENT OF ACCOUNTS – 31ST DECEMBER 2003

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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 2003.

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 £680,000 (2002 : £419,000). The directors consider the results for the year to be satisfactory.

The directors do not recommend payment of a dividend (2002 : £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 2003</u>	<u>1st January 2003</u>
Mr N G King	Nil	Nil
Mr G R Eastham (resigned 23 January 2004)	Nil	Nil
Mr P J Merry (resigned 10 July 2003)	Nil	Nil
Mr K Speller	Nil	Nil
Mrs S Jacquest	Nil	Nil
Mr G D Varley (appointed 24 December 2003)	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.

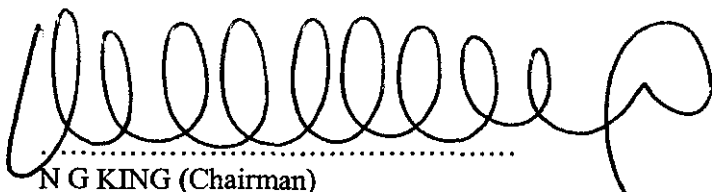
The directors do not have any options to subscribe to shares in Thames Vale Developments Limited or any other group companies.

Auditors

On 1 July 2004, the Grant Thornton partnership will transfer its business to a limited liability partnership, Grant Thornton UK LLP and the directors have agreed to extend the audit appointment to Grant Thornton UK LLP with effect from 1 July 2004 in accordance with section 26(5) of the Companies Act 1989.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the board of directors



.....

N G KING (Chairman)

Approved by the board on 29 June 2004

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 2003 which comprise the profit and loss account, the balance sheet and notes 1 to 14. 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 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 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 2003 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: 29 June 2004

THAMES VALE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31ST DECEMBER 2003

	Notes	2003 £000's	2002 £000's
Turnover	1	7,661	769
Cost of sales		<u>(6,533)</u>	<u>(577)</u>
Gross profit		1,128	192
Administrative expenses		<u>-</u>	<u>(2)</u>
Operating profit		1,128	190
Interest payable and similar charges	2	<u>(157)</u>	<u>(65)</u>
Profit on ordinary activities before taxation	3	971	125
Tax on profit on ordinary activities	4	<u>(291)</u>	<u>294</u>
Profit on ordinary activities after taxation		680	419
Dividends		<u>-</u>	<u>-</u>
Retained profit for the year		680	419
Retained profit brought forward		<u>1,399</u>	<u>980</u>
Retained profit carried forward		<u>2,079</u>	<u>1,399</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.

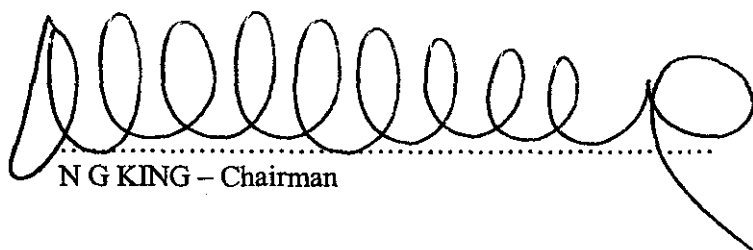
The attached notes form part of these accounts.

THAMES VALE DEVELOPMENTS LIMITED

BALANCE SHEET AT 31ST DECEMBER 2003

	Notes	£000's	2003 £000's	2002 £000's
<u>Current Assets</u>				
Work in progress	5	2,445		4,078
Amounts owed by parent undertaking		947		-
Debtors	6	<u>3</u>		<u>294</u>
		3,395		4,372
<u>Creditors:</u>				
Amounts falling due within one year	7	<u>1,315</u>		<u>2,972</u>
<u>Net Current Assets</u>			<u>2,080</u>	<u>1,400</u>
<u>Total Assets less Current Liabilities</u>			<u>2,080</u>	<u>1,400</u>
<u>Capital and Reserves</u>				
Called up share capital	10		1	1
Profit and loss account			<u>2,079</u>	<u>1,399</u>
<u>Equity shareholders' funds</u>	11		<u>2,080</u>	<u>1,400</u>

Signed on behalf of the board of directors



N G KING – Chairman

Approved by the board on 29 June 2004

The attached notes form part of these accounts.

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2003

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.

f) **Cashflow Statement**

The company has utilised the exemption provided by FRS1 Cashflow Statements to omit a cashflow statement from the accounts. The company's cashflows are included within the consolidated cashflow statement provided in the accounts of Nicholas King Homes Holdings plc, copies of which are available from 1 Regius Court, Church Rd, Penn, Bucks. HP10 8RL.

2. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £000's	2002 £000's
Bank loan interest	<u>157</u>	<u>65</u>

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2003

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2003 £000's	2002 £000's
Auditors remuneration	-	2

The average number of employees during the year including directors classified as administrative and site was 8 (2002: 6).

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

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £000's	2002 £000's
The tax charge represents:		
Deferred tax (note 8)	291	(294)
Tax on profit on ordinary activities	291	(294)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 30% (2002 : 30%).

The differences are explained as follows:

	2003 £000's	2002 £000's
Profit on ordinary activities before tax	971	125
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2002 : 30%)	291	38
Utilisation of tax losses	(291)	(38)
Current tax charge for period	-	-

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2003

5. WORK IN PROGRESS

	2003 £000's	2002 £000's
Short term work in progress	<u>2,445</u>	<u>4,078</u>

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

6. DEBTORS

	2003 £000's	2002 £000's
Deferred tax	<u>3</u>	<u>294</u>

7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £000's	2002 £000's
Bank loans and overdrafts	1,134	1,771
Other creditors	179	16
Accruals	2	2
Amounts owed to parent undertaking	-	1,183
	<u>1,315</u>	<u>2,972</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 (Note 9) £000's
At 1 January 2003	294
Timing difference reversed during the year	<u>(291)</u>
At 31 December 2003	<u>3</u>

THAMES VALE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2003

9. DEFERRED TAXATION

	2003 £000's	2002 £000's
Tax losses carried forward	<u>3</u>	<u>294</u>

10. CALLED UP SHARE CAPITAL

	2003 £000's	2002 £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>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £000's	2002 £000's
Profit for the financial year	680	419
Opening shareholders' funds	<u>1,400</u>	<u>981</u>
Closing shareholders' funds	<u>2,080</u>	<u>1,400</u>

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. CONTINGENT LIABILITIES

There were no contingent liabilities at 31st December 2003 or at 31st December 2002.

14. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2003 or at 31st December 2002.

THAMES VALE DEVELOPMENTS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31ST DECEMBER 2002

	2003 £000's	2003 £000's	2002 £000's	2002 £000's
Sales		7,661		769
Cost of sales				
Expenditure incurred		<u>(6,533)</u>		<u>(577)</u>
Gross profit		1,128		192
<u>Administrative expenses</u>				
Bank interest	157		65	
Auditors remuneration	<u>-</u>		<u>2</u>	
		<u>(157)</u>		<u>(67)</u>
<u>Net Profit before taxation</u>		<u>971</u>		<u>125</u>

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