

Company Registration Number: 4107607

ESPLANADE HOMES (ROCHESTER) LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 29 FEBRUARY 2004



ESPLANADE HOMES (ROCHESTER) LIMITED

REPORTS & FINANCIAL STATEMENTS

Year ended 29 February 2004

CONTENTS

1	Report of the Directors
2	Report of the Auditors
3	Profit & Loss Account
4	Balance Sheet
5 - 6	Notes to the Financial Statements

ESPLANADE HOMES (ROCHESTER) LIMITED

COMPANY INFORMATION

DIRECTORS: K C McCabe
C Di Ciacca
D Gandhi
R Dipre (alternate)
S C McCabe (alternate)

SECRETARY: C Di Ciacca

REGISTERED OFFICE: Ashley House
Ashley Road
Epsom
Surrey
KT18 5AZ

COMPANY NUMBER: 4107607

AUDITORS: Mazars LLP
Chartered Accountants
90 St Vincent Street
Glasgow
G2 5UB

ESPLANADE HOMES (ROCHESTER) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and the Financial Statements for the year ended 29 February 2004.

PRINCIPAL ACTIVITY

The principal activity of the company is the development of residential properties.

RESULTS AND DIVIDENDS

The results of the company for the year ended 29 February 2004 are set out in the profit and loss account on page 3. The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors named below have held office for the whole year unless otherwise stated:

K C McCabe

C Di Ciacca

D Gandhi

R Dipre (alternate Director)

S C McCabe (alternate Director)

According to the register maintained as required by the Companies Act 1985, the Directors do not have any interest in the share capital of the company. K C McCabe is a Director of Scarborough Property Group plc, in whose accounts his interest in the share capital of that company is shown.

There were no other interests notifiable under Section 324 of the Companies Act 1985.

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;
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.


The Directors confirm that the accounts comply with the above requirements.

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

Mazars LLP succeeded to Mazars as the independent auditor to the Company after the year end. A resolution to reappoint Mazars LLP as auditor to the Company and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



D Gandhi

Director

Date:

16 December 2004

Registered Office:

Ashley House

Ashley Road

Epsom

Surrey

KT18 5AZ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESPLANADE HOMES (ROCHESTER) LIMITED

We have audited the financial statements for the year ended 29 February 2004 which comprise the Profit and Loss Account, the Balance Sheet and related notes. 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 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

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. 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 misstatement within it.


Basis of audit 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 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 29 February 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MAZARS LLP
CHARTERED ACCOUNTANTS
and Registered Auditors
GLASGOW

Date: 23 December 2004.

ESPLANADE HOMES (ROCHESTER) LIMITED**PROFIT & LOSS ACCOUNT****Year ended 29 February 2004**

	Notes	<u>Year ended</u> <u>29 February 2004</u> £	<u>Year ended</u> <u>28 February 2003</u> £
TURNOVER	2	932,000	1,660,995
COST OF SALES		(688,127)	(1,216,080)
GROSS PROFIT		<u>243,873</u>	<u>444,915</u>
Administrative expenses		(80,273)	(35,761)
OPERATING PROFIT		<u>163,600</u>	<u>409,154</u>
Interest payable	3	(38,400)	(57,195)
Interest receivable	4	4,074	551
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>129,274</u>	<u>352,510</u>
Taxation	7	(24,562)	(74,361)
RETAINED PROFIT FOR THE YEAR	12	<u><u>104,712</u></u>	<u><u>278,149</u></u>

The company's turnover and expenses all relate to continuing operations.

There were no recognised gains or losses other than the profit for the year, and accordingly a separate Statement of Gains and Losses has not been prepared.

ESPLANADE HOMES (ROCHESTER) LIMITED

BALANCE SHEET

At 29 February 2004

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
CURRENT ASSETS			
Stock	8	723,417	1,404,029
Debtors	9	114	11,839
Cash at bank and in hand		<u>542,846</u>	<u>1</u>
		1,266,377	1,415,869
 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	 10	 (869,303)	 (1,123,507)
 NET ASSETS		 <u>397,074</u>	 <u>292,362</u>
 CAPITAL AND RESERVES		 £	 £
Share capital	11	1	1
Profit & loss account	12	<u>397,073</u>	<u>292,361</u>
 EQUITY SHAREHOLDERS' FUNDS	 12	 <u>397,074</u>	 <u>292,362</u>

Approved by the Board on 16 December 2004 and signed on its behalf by

K C McCabe

Director

D Gandhi

Director

The notes on pages 5 and 6 form part of these financial statements.

ESPLANADE HOMES (ROCHESTER) LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

1 ACCOUNTING POLICIES

The accounts are prepared in accordance with applicable accounting standards.

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover represents amounts received during the year from the sale of development properties.

(c) Stock

Stock is stated at the lower of cost and net realisable value.

(d) 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.

2 TURNOVER

The company operates in the United Kingdom and the whole of the turnover is to the United Kingdom market.

3 INTEREST PAYABLE

Bank interest

Other interest

<u>Year ended</u>	<u>Year ended</u>
<u>29 February 2004</u>	<u>28 February 2003</u>
£	£
2,000	15,202
36,400	41,993
<u>38,400</u>	<u>57,195</u>

4 INTEREST RECEIVABLE

Bank interest

Other interest

£	£
4,074	96
-	455
<u>4,074</u>	<u>551</u>

5 PROFIT BEFORE TAXATION

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

Auditor's remuneration

£	£
1,250	1,200

6 EMPLOYEES

The average number of employees during the period was nil (2003:nil). None of the directors received any remuneration in the period.

7 TAXATION

The taxation charge for the year comprises:

Corporation tax - current year

Corporation tax - prior year credit

£	£
24,562	74,450
-	(89)
<u>24,562</u>	<u>74,361</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.

The differences are explained below:

	£	£
Profit on ordinary activities before tax	<u>129,274</u>	<u>352,510</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK (19%) (2003: 20%)	24,562	70,502
Effects of:		
Marginal relief	-	3,948
Prior year adjustment	-	(89)
Current tax charge for the year	<u>24,562</u>	<u>74,361</u>

ESPLANADE HOMES (ROCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 February 2004

	2004	2003	
	£	£	
8 STOCK			
Property developments	<u>723,417</u>	<u>1,404,029</u>	
9 DEBTORS	£	£	
Other debtors	<u>114</u>	<u>11,839</u>	
10 CREDITORS FALLING DUE WITHIN ONE YEAR	£	£	
Bank overdraft	-	278,681	
Trade Creditors	15,035	1,039	
Loans from shareholders	676,400	640,000	
Corporation tax	24,572	74,450	
Other creditors	2,238	1,376	
Accruals	<u>151,058</u>	<u>127,961</u>	
	<u>869,303</u>	<u>1,123,507</u>	
11 CALLED UP SHARE CAPITAL	£	£	
Authorised:			
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	
Allotted and fully paid			
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	
12 RECONCILIATION OF SHAREHOLDERS' FUNDS			
	Share Capital	Profit & Loss Account	Total
	£	£	£
Balance at 1 March 2003	1	292,361	292,362
Profit for the year	-	104,712	104,712
Balance at 29 February 2004	<u>1</u>	<u>397,073</u>	<u>397,074</u>

13 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions in FRS 8 and consequently has not disclosed details of transactions with group undertakings.