

WM C READE of ALDEBURGH LIMITED**REPORT OF THE DIRECTORS****Year Ended 30 June 2003**

456521

DIRECTORS

M S F Oakes
M S Oakes
Mrs V Oakes



The directors present their annual report and financial statements for the year ended 30 June 2003.

PRINCIPAL ACTIVITIES

The principal activities of the company are that of General Building and Brick Manufacturers.

COMPANY NUMBER

The registered company number is 00456521.

ACCOUNTS

The Balance Sheet of the company at 30 June 2003 and the Profit and Loss account for the year ended on that date are attached.

The loss for the year and its appropriation is as shown in the Profit and Loss Account.

No dividend was paid during the year.

FIXED ASSETS

Details of the changes in Fixed Assets are shown in Note 3 to the Accounts.

DIRECTORS' INTERESTS

The directors' beneficial interests in the company's issued Ordinary Share Capital were as follows:

	This Company		Holding Company
	30-6-03	30-6-02	30-6-03
M S F Oakes	-	-	800
M S Oakes	-	-	100
Mrs V Oakes	-	-	100

ROTATION OF DIRECTORS

The director retiring by rotation in accordance with the Articles of Association is Mr M S Oakes and being eligible, offers himself for re-election.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors understand that:

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;

WM C READE of ALDEBURGH LIMITED
REPORT OF THE DIRECTORS (Continued)
Year Ended 30 June 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)

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 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Tubbs Son Giles & Co have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

The Directors Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to Small Companies (s.246(8)).

BY ORDER OF THE BOARD

V Oakes

V OAKES
Secretary

Oakland House
Mobbs Way
LOWESTOFT
Suffolk
NR32 3AL

Date: 22 December 2003

INDEPENDENT AUDITORS REPORT TO SHAREHOLDERS OF
WM C READE OF ALDEBURGH LIMITED

We have audited the financial statements of Wm C Reade of Aldeburgh Limited for the year ended 30 June 2003 which are set out on pages 4 to 11. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) 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 preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK 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 within it.

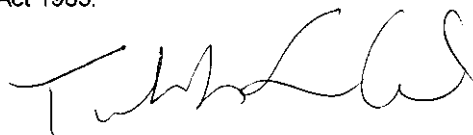
Basis of audit opinion

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 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 30 June 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



TUBBS SON GILES & CO
Registered Auditors

22/24 Suffolk Road
LOWESTOFT
Suffolk
NR32 1DZ

Date: 22 December 2003

WM C READE of ALDEBURGH LIMITEDPROFIT AND LOSS ACCOUNTYear Ended 30 June 2003

	<u>2003</u>	<u>2002</u>
	£	£
TURNOVER (Note 1b)	1,963,468	1,749,664
Direct cost of work done	1,817,064	(1,574,689)
GROSS PROFIT	146,404	174,975
Distribution Costs	(10,260)	(10,966)
Administration Expenses	(144,924)	(149,779)
	(155,184)	(160,745)
Other Operating Income	(8,780) 8,788	14,230 3,527
OPERATING PROFIT (Note 4)	8	17,757
Interest payable (Note 12)	(10,119)	(13,219)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(10,111)	4,538
Taxation (Note 14)	4,536	(2,614)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION	(5,575)	1,924
RETAINED PROFIT brought forward	249,267	247,343
RETAINED PROFIT carried forward	243,692	249,267

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(LOSS)/PROFIT after taxation	(5,575)	1,924
Unrealised surplus on Revaluation of Freehold Property	-	650,424
Depreciation on revalued property	(7,321)	-
TOTAL RECOGNISED (LOSSES)/GAINS	(12,896)	652,348

The Results for each year derive from continuing operations

WM C READE of ALDEBURGH LIMITEDBALANCE SHEETAs at 30 June 2003

	<u>2003</u>	<u>2002</u>
£	£	£
FIXED ASSETS		
Tangible Fixed Assets (Note 3)	1,039,570	1,054,498
CURRENT ASSETS		
Stocks and Work in Progress (Note 6)	530,559	404,326
Debtors (Note 5)	287,570	343,117
Cash at bank and in hand	521	451
	<u>818,650</u>	<u>747,894</u>
CREDITORS: Amounts falling due within one year (Note 7)	<u>(664,741)</u>	<u>(594,642)</u>
NET CURRENT ASSETS	153,909	153,252
TOTAL ASSETS LESS CURRENT LIABILITIES	1,193,479	1,207,750
PROVISION FOR LIABILITIES AND CHARGES		
Deferred Taxation (Note 13)	(1,954)	(3,329)
	<u>1,191,525</u>	<u>1,204,421</u>
SHAREHOLDERS' FUNDS (Note 16)		
Called Up Share Capital (Note 2)	40,000	40,000
Revaluation Reserve	907,833	915,154
Profit and Loss Account	243,692	249,267
	<u>1,191,525</u>	<u>1,204,421</u>

The Financial Statements on pages 4 to 11 which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 22 December 2003 and signed on its behalf.

M S F Oakes M S F OAKES Director

V Oakes V OAKES Director

WM C READE of ALDEBURGH LIMITED

NOTES TO THE ACCOUNTS

Year Ended 30 June 2003

1. Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

b) Turnover

Turnover represents net invoiced sales of goods, excluding VAT and, in the case of long term contracts, the value of work done during the year.

c) Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Buildings	- 2% straight line
Plant and Machinery	- 15% reducing balance method
Fixtures and Fittings	- 15% reducing balance method
Motor Vehicles	- 25% reducing balance method

No depreciation is provided on freehold land.

d) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Work in progress is valued at cost of direct materials and labour, plus a proportion of overheads and that proportion of the anticipated total profit on individual contracts which has fairly and reasonably been determined by reference to the progress of each contract, and due provisions for anticipated losses on contracts.

e) Pension Scheme

The company operates a defined contribution pension scheme. The pension charge represents the amounts payable by the company to the fund in respect of the year.

2. The authorised and issued share capital of the company is 40,000 £1 ordinary shares which have been fully paid.

WM C READE of ALDEBURGH LIMITEDNOTES TO THE ACCOUNTS (Continued)Year Ended 30 June 20033. Tangible Fixed Assets:

	<u>Freehold Property</u> £	<u>Plant and Machinery</u> £	<u>Fixtures and Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost or Valuation					
At 1 July 2002	1,028,424	98,679	27,127	136,400	1,290,630
Additions	-	-	1,920	-	1,920
At 30 June 2003	1,028,424	98,679	29,047	136,400	1,292,550
Depreciation					
At 1 July 2002	15,424	90,169	15,853	114,686	236,132
Charge for the year	8,227	1,276	1,916	5,429	16,848
At 30 June 2003	23,651	91,445	17,769	120,115	252,980
Net Book Values					
At 30 June 2003					
Historical Cost	107,813	7,234	11,278	16,285	142,610
Increase upon Revaluation	896,960	-	-	-	896,960
	1,004,773	7,234	11,278	16,285	1,039,570
At 30 June 2002	1,013,000	8,510	11,274	21,714	1,054,498

4. Operating Profit is after charging

	<u>2003</u> £	<u>2002</u> £
Depreciation	16,848	14,290
Auditors fees	5,990	6,299

WM C READE of ALDEBURGH LIMITEDNOTES TO THE ACCOUNTS (Continued)Year Ended 30 June 2003

	<u>2003</u> <u>£</u>	<u>2002</u> <u>£</u>
5. <u>Debtors</u>		
Trade Debtors	274,231	329,806
Other Debtors	13,339	13,311
	287,570	343,117
6. <u>Stock and Work in Progress</u>		
Work in progress less progress payments received (see below)	169,969	47,070
Building and Brickworks stock	360,590	357,256
	530,559	404,326
Contract costs in excess of progress payments		
Total cost of work in progress to date	380,766	69,090
Total progress payments received to date	(210,797)	(22,020)
Total work in progress	169,969	47,070
7. <u>Creditors: Amounts falling due within one year</u>		
Work in Progress – Progress Payments in excess of costs (see below)	15,131	9,457
Bank overdraft	165,033	203,746
Due to Associated Companies	246,096	152,263
Trade Creditors	178,688	144,042
PAYE and National Insurance	20,874	15,618
Other creditors and Accruals	38,919	68,215
Corporation Tax due	-	1,301
	664,741	594,642
Progress Payments in excess of contract costs:		
Total Progress Payments receivable to date	88,730	151,144
Total Costs of Work in Progress to date	(73,599)	(141,687)
	15,131	9,457

WM C READE of ALDEBURGH LIMITEDNOTES TO THE ACCOUNTS (Continued)Year Ended 30 June 2003

	<u>2003</u>	<u>2002</u>
8. <u>Staff Costs</u>		
Average number of employees including directors employed by the company during the year	54	57
	£	£
Cost in respect of all employees:		
Wages and Salaries	855,002	861,125
Social Security Costs	66,651	65,887
Pension Scheme Contributions	6,623	5,781
	928,276	932,793

9. Bank Overdraft

The bank overdraft is secured by a legal charge over the Freehold property.

10. Contingent Liabilities

There were no contingent liabilities at 30 June 2003 or 30 June 2002.

11. Capital Commitments

There were no capital commitments at 30 June 2003 or 30 June 2002.

12. <u>Interest Payable</u>	<u>2003</u>	<u>2002</u>
	£	£
On bank overdraft and loans	10,119	13,219

13. <u>Deferred Taxation</u>	<u>2003</u>	<u>2002</u>
	£	£

The provision is calculated as follows:

Balance brought forward	3,329	2,016
Transfer for year	(1,375)	1,313
Balance at 30 June 2003	1,954	3,329

The provision for deferred tax is made up of accelerated capital allowances. No provision has been made for deferred tax of £135,000 arising on the revaluation. This amount would become payable in the event of the property being sold, but there are no plans to sell it in the foreseeable future.

WM C READE of ALDEBURGH LIMITEDNOTES TO THE ACCOUNTS (Continued)Year Ended 30 June 2003

14. <u>Taxation</u>	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
UK Corporation Tax - current year	(3,242)	1,300
- prior year	81	-
	(3,161)	1,300
Deferred tax charge - capital allowances	(1,375)	1,314
	(4,536)	2,614

The tax assessed for the year is higher than the standard rate of UK taxation applicable to the Company 19% (2002 19%/20%). The differences are explained below:

Profit/(Loss) on ordinary activities	(10,111)	4,538
Profit on ordinary activities multiplied by standard rate of 19% (2002 19%/20%)	(1,921)	798
Expenses not deductible for tax purposes	18	39
Depreciation for period in excess of capital allowances	22	463
Adjustment re Group Relief claim	(1,361)	-
Current tax charge for the period	(3,242)	1,300

15. <u>Revaluation Reserve</u>	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Arising on the revaluation of freehold property		
At 1 July 2002	915,154	264,730
Increase during the year	-	650,424
Depreciation during the year	(7,321)	-
At 30 June 2003	907,833	915,154

The Freehold property at 70-74 High Street, Aldeburgh was valued on 1 August 2002 at £530,000 by Bidwells Property Consultants. The Brickworks at Aldeburgh were valued at £483,000 by O A Chapman and Son, Chartered Surveyors on 24 October 2002.

WM C READE of ALDEBURGH LIMITEDNOTES TO THE ACCOUNTS (Continued)Year Ended 30 June 2003

<u>16. Reconciliation of Shareholders' Funds</u>	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
(Loss)/Profit for the year	(5,575)	1,924
Shareholders' Funds brought forward	1,204,421	552,073
Increase in revaluation reserve	-	650,424
Depreciation on revaluation	(7,321)	
Shareholders' Funds carried forward	<u>1,191,525</u>	<u>1,204,421</u>

17. Pension Schemes

The company participates in defined contribution schemes for certain of its directors and employees.

The assets of these schemes are held separately from those of the company in independently administered funds. Contributions payable during the year amount to £6,623 (2002 - £5,781).

18. Ultimate Controlling Party

The company's ultimate controlling party is M S F Oakes Esq.

19. Holding Company

The whole of the share capital of Wm C Reade of Aldeburgh Limited was acquired on 28 February 1998 by M S Oakes Limited, a company incorporated in the United Kingdom.

20. Related Party Transactions

The related party transactions between this company and M S Oakes Limited, Brown and Sansom (East Anglia) Limited and Oakes Management Services Limited have not been listed by reason of the fact that the consolidated financial statements of M S Oakes Limited of which this company is a wholly owned subsidiary are publicly available.

21. Cash Flow Statement

The company has taken advantage of the exemption to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary and a consolidated cash flow statement is prepared by its parent company.

WM C READE of ALDEBURGH LIMITEDBUILDING TRADE ACCOUNTYear Ended 30 June 2003

	<u>2003</u>		<u>2002</u>	
	£	£	£	£
SALES AND WORK DONE		1,660,318		1,410,175
Cost of Sales				
Materials used and Subcontractors	806,011		587,429	
Carriage and Motor Expenses	36,251		34,810	
Wages and NIC	681,443		693,046	
	<u> </u>	1,523,705	<u> </u>	1,315,285
GROSS PROFIT	8.23%	136,613	6.73%	94,890
Discounts	4,207		2,331	
Sundry Commission	8,788		3,527	
Management Fee – Brickworks	13,000		13,000	
CITB	9,164		13,064	
	<u> </u>	35,159	<u> </u>	31,922
		171,772		126,812
Salaries and NIC	36,141		35,128	
Repairs and Renewals	1,464		1,337	
Rates	871		7,829	
Insurances	23,815		15,568	
Light, Heat and Power	2,353		2,965	
Telephone	7,650		8,359	
Stationery and Advertising	7,290		7,343	
Postages	1,097		1,065	
Training	287		6,221	
Sundry Expenses	7,555		9,286	
Bank Charges	1,614		2,077	
	<u> </u>	90,137	<u> </u>	97,178
		81,635		29,634

WM C READE of ALDEBURGH LIMITEDBRICKWORKS TRADING ACCOUNTYear Ended 30 June 2003

	<u>2003</u>		<u>2002</u>	
	£	£	£	£
SALES		303,150		339,489
Stock Increase		9,200		24,140
		312,350		363,629
Purchase of Materials	30,755		31,919	
Carriage and Motor Expenses	10,260		10,966	
Wages and National Insurance	204,069		198,838	
Fuel and Oil	81,105		68,182	
Rates	5,885		6,096	
Insurances	6,053		2,502	
Repairs and Renewals	10,637		10,222	
Management Charge – Building	13,000		13,000	
Sundry Expenses	3,115		3,276	
		364,879		345,001
Net Trading Profit/(Loss)		(52,529)		18,628

WM C READE of ALDEBURGH LIMITEDSUMMARY TRADING ACCOUNTYear Ended 30 June 2003

	<u>£</u>	<u>2003</u>	<u>£</u>	<u>2002</u>	<u>£</u>
Net Trading Profit/(Loss)					
- Building			81,635		29,634
- Brickworks			(52,529)		18,628
			29,106		48,262
Less: General Pensions – Staff and Workforce	6,623		5,781		
Interest Payable	10,119		13,219		
Legal and Professional	101		555		
Auditors Remuneration	5,990		6,297		
Bad Debts written off	6,857		3,582		
Depreciation	9,527		14,290		
			39,217		43,724
(Loss)/Profit before tax			(10,111)		4,538