

WM C READE of ALDEBURGH LIMITED**REPORT OF THE DIRECTORS****Year Ended 30 June 2004****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 2004.

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 2004 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
	30-6-04	30-6-03	30-6-04
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 Mrs V Oakes and being eligible, offers herself 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



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WM C READE of ALDEBURGH LIMITED
REPORT OF THE DIRECTORS (Continued)
Year Ended 30 June 2004

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: 6 January 2005

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 2004 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 2004 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: 6 January 2005

WM C READE of ALDEBURGH LIMITEDPROFIT AND LOSS ACCOUNTYear Ended 30 June 2004

	<u>2004</u>	<u>2003</u>
	£	£
TURNOVER (Note 1b)	2,058,160	1,963,468
Direct cost of work done	(1,932,451)	1,817,064
GROSS PROFIT	125,709	146,404
Distribution Costs	(12,646)	(10,260)
Administration Expenses	(152,581)	(144,924)
	(165,227)	(155,184)
	(39,518)	(8,780)
Other Operating Income	13,109	8,788
OPERATING (LOSS)/PROFIT (Note 4)	(26,409)	8
Interest payable (Note 12)	(7,616)	(10,119)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(34,025)	(10,111)
Taxation (Note 14)	6,432	4,536
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION	(27,593)	(5,575)
RETAINED PROFIT brought forward	243,692	249,267
RETAINED PROFIT carried forward	216,099	243,692

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(LOSS)/PROFIT after taxation	(27,593)	(5,575)
Depreciation on revalued property	(7,322)	(7,321)
TOTAL RECOGNISED (LOSSES)/GAINS	(34,915)	(12,896)

The Results for each year derive from continuing operations

WM C READE of ALDEBURGH LIMITEDBALANCE SHEETAs at 30 June 2004

	<u>2004</u>	<u>2003</u>
	£	£
FIXED ASSETS		
Tangible Fixed Assets (Note 3)	1,037,930	1,039,570
CURRENT ASSETS		
Stocks and Work in Progress (Note 6)	584,683	530,559
Debtors (Note 5)	306,587	287,570
Cash at bank and in hand	652	521
	<u>891,922</u>	<u>818,650</u>
CREDITORS: Amounts falling due within		
one year (Note 7)	<u>(773,242)</u>	<u>(664,741)</u>
NET CURRENT ASSETS	118,680	153,909
TOTAL ASSETS LESS CURRENT LIABILITIES	1,156,610	1,193,479
PROVISION FOR LIABILITIES AND CHARGES		
Deferred Taxation (Note 13)	-	(1,954)
	<u>1,156,610</u>	<u>1,191,525</u>
SHAREHOLDERS' FUNDS (Note 16)		
Called Up Share Capital (Note 2)	40,000	40,000
Revaluation Reserve	900,511	907,833
Profit and Loss Account	216,099	243,692
	<u>1,156,610</u>	<u>1,191,525</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 6 January 2005 and signed on its behalf.

 M S F OAKES Director

 V OAKES Director

WM C READE of ALDEBURGH LIMITED

NOTES TO THE ACCOUNTS

Year Ended 30 June 2004

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 20043. 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 2003	1,028,424	98,679	29,047	136,400	1,292,550
Additions	-	750	484	15,000	16,234
Disposals	-	-	-	(18,857)	(18,857)
At 30 June 2004	1,028,424	99,429	29,531	132,543	1,289,927
Depreciation					
At 1 July 2003	23,651	91,445	17,769	120,115	252,980
Charge for the year	8,227	1,198	1,764	6,408	17,597
re Disposal	-	-	-	(18,580)	(18,580)
At 30 June 2004	31,878	92,643	19,533	107,943	251,997
Net Book Values					
At 30 June 2004					
Historical Cost	106,907	6,786	9,998	24,600	148,291
Increase upon Revaluation	889,639	-	-	-	889,639
	996,546	6,786	9,998	24,600	1,037,930
At 30 June 2003	1,004,773	7,234	11,278	16,285	1,039,570

4. Operating Profit is after charging

	<u>2004</u> £	<u>2003</u> £
Depreciation	17,597	16,848
Auditors fees	5,744	5,990

WM C READE of ALDEBURGH LIMITEDNOTES TO THE ACCOUNTS (Continued)Year Ended 30 June 2004

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
5. <u>Debtors</u>		
Trade Debtors	286,968	274,231
Other Debtors	15,141	13,339
Deferred Taxation	4,478	-
	306,587	287,570
6. <u>Stock and Work in Progress</u>		
Work in progress less progress payments received (see below)	261,586	169,969
Building and Brickworks stock	323,097	360,590
	584,683	530,559
Contract costs in excess of progress payments		
Total cost of work in progress to date	279,535	380,766
Total progress payments received to date	(17,949)	(210,797)
Total work in progress	261,586	169,969
7. <u>Creditors: Amounts falling due within one year</u>		
Work in Progress – Progress Payments in excess of costs (see below)	11,484	15,131
Bank overdraft	477,159	165,033
Due to Associated Companies	23,277	246,096
Trade Creditors	144,220	178,688
PAYE and National Insurance	16,604	20,874
Other creditors and Accruals	100,498	38,919
	773,242	664,741
Progress Payments in excess of contract costs:		
Total Progress Payments receivable to date	77,677	88,730
Total Costs of Work in Progress to date	(66,193)	(73,599)
	11,484	15,131

WM C READE of ALDEBURGH LIMITEDNOTES TO THE ACCOUNTS (Continued)Year Ended 30 June 2004

	<u>2004</u>	<u>2003</u>
8. <u>Staff Costs</u>		
Average number of employees including directors employed by the company during the year	54	54
	£	£
Cost in respect of all employees:		
Wages and Salaries	927,970	855,002
Social Security Costs	76,177	66,651
Pension Scheme Contributions	8,140	6,623
	1,012,287	928,276

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 2004 or 30 June 2003.

11. Capital Commitments

There were no capital commitments at 30 June 2004 or 30 June 2003.

12. <u>Interest Payable</u>	<u>2004</u>	<u>2003</u>
	£	£
On bank overdraft and loans	7,616	10,119

13. <u>Deferred Taxation</u>	<u>2004</u>	<u>2003</u>
	£	£
The provision is calculated as follows:		
Balance brought forward	1,954	3,329
Transfer for year	(6,432)	(1,375)
Balance at 30 June 2004	(4,478)	1,954

The provision for deferred tax is made up of accelerated capital allowances less losses carried forward. 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 2004

14. <u>Taxation</u>	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
UK Corporation Tax - current year	-	(3,242)
- prior year	-	81
	<u> </u>	<u> </u>
	-	(3,161)
Deferred tax charge - capital allowances less losses	(6,432)	(1,375)
	<u> </u>	<u> </u>
	(6,432)	(4,536)
	<u> </u>	<u> </u>

The tax assessed for the year is higher than the standard rate of UK taxation applicable to the Company of 19% (2003 19%). The differences are explained below:

Profit/(Loss) on ordinary activities	(34,025)	(10,111)
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate of 19% (2003 19%)	(6,465)	(1,921)
Expenses not deductible for tax purposes	23	18
Depreciation for period in excess of capital allowances	(570)	22
Adjustment re Group Relief claim	-	(1,361)
Re Losses carried forward	7,012	-
	<u> </u>	<u> </u>
Current tax charge for the period	-	(3,242)
	<u> </u>	<u> </u>

15. <u>Revaluation Reserve</u>	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Arising on the revaluation of freehold property		
At 1 July 2003	907,833	915,154
Depreciation during the year	(7,322)	(7,321)
	<u> </u>	<u> </u>
At 30 June 2004	900,511	907,833
	<u> </u>	<u> </u>

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 2004

<u>16. Reconciliation of Shareholders' Funds</u>	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
(Loss)/Profit for the year	(27,593)	(5,575)
Shareholders' Funds brought forward	1,191,525	1,204,421
Increase in revaluation reserve	-	-
Depreciation on revaluation	(7,322)	(7,321)
Shareholders' Funds carried forward	1,156,610	1,191,525

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 £8,140 (2003 - £6,623).

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.