

LAND DEVELOPERS (LINCS.) LIMITED

ANNUAL REPORT AND ACCOUNTS

31 AUGUST, 2000.

CONTENTS

	Page
Business Particulars	1
Report of the Directors	2
Auditors' Report	3
Detailed Profit and Loss Account	4
Profit and Loss Account	5
Balance Sheet	6
Accounting Policies	7
Notes to the Accounts	8 - 11
Land Development Account - Berkeley Road, Cleethorpes	12
Land Development Account - Greenlands III, New Waltham	13
Land Development Account - Howell Phase II, Grimsby Road, Humberston	14
Land Development Account - Priors Close, New Waltham	15
Land Development Account - Riverhead, Louth	16

**SMETHURST
& BUCKTON**
ACCOUNTANTS
AND
REGISTERED
AUDITORS



LAND DEVELOPERS (LINCS.) LIMITED

BUSINESS PARTICULARS

DIRECTORS:

P. F. Bannister (Chairman)
S. Saville (Vice Chairman)
J. T. Collis

SECRETARY:

N. D. Bratton

REGISTERED OFFICE:

Haven Mill,
2 Alexandra Road,
GRIMSBY,
North East Lincolnshire.

AUDITORS:

Smethurst & Buckton,
12 Abbey Road,
GRIMSBY,
North East Lincolnshire.

BANKERS:

Barclays Bank plc,
Victoria Street,
GRIMSBY,
North East Lincolnshire.

REGISTERED NUMBER:

668321 (England and Wales)

LAND DEVELOPERS (LINCS.) LIMITED
REPORT OF THE DIRECTORS

The directors present their report with the accounts of the company for the year ended 31 August, 2000.

PRINCIPAL ACTIVITY

At the request of its members, the company arranges the acquisition of land on their behalf, administers the development of roads and joint services and arranges the final redistribution of the developed land back to its members.

At the point of land acquisition, participating members are required to sign a land purchase agreement appertaining to their particular share, and they become fully liable for any current legislation regarding it's development.

DIRECTORS

The directors throughout the financial year to 31 August, 2000 were:-

P. F. Bannister (Chairman)

J. S. Teanby (Vice-Chairman - resigned 9 November, 1999)

S. Saville (Vice-Chairman)

J. T. Collis - appointed 9 November, 1999

The director retiring by rotation at the Annual General Meeting is Mr. S. Saville who being eligible, offers himself for re-election.

Each director has an interest in a company or business which holds one share in the Company.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

select suitable accounting policies and apply them consistently;

make judgments and estimates that are reasonable and prudent;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

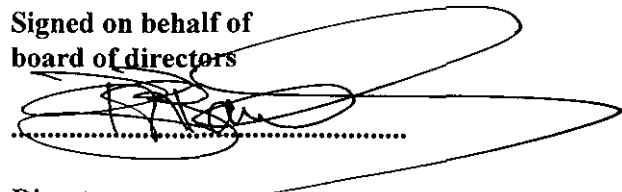
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Smethurst & Buckton, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of
board of directors



Director

Date approved by the board: 20th November 2000

AUDITORS' REPORT
TO THE MEMBERS OF
LAND DEVELOPERS (LINCS.) LIMITED

We have audited the accounts on pages 5 to 11 which have been prepared in accordance with the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

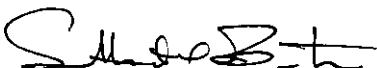
BASIS OF OPINION

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August, 2000 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


.....

SMETHURST & BUCKTON
Accountants and Registered Auditors
12 Abbey Road,
GRIMSBY.
DN32 OHL

Date: 20 November 2000
.....

LAND DEVELOPERS (LINCS.) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED

31 AUGUST, 2000.

	2000	1999
Directors' Fees and National Insurance	12,853	6,400
Add: Other Operating Costs:		
Administration	12,000	10,000
Sundry Expenses	650	621
Audit Fee	1,200	1,050
Bank Charges	109	122
Insurance	315	312
Legal and Professional Expenses	<u>325</u>	<u>-</u>
Administrative Expenses	27,452	18,505
	27,452	18,505
Deduct: Sundry Income:		
Interest Received	301	203
Wayleaves	<u>128</u>	<u>127</u>
	429	330
Loss on ordinary activities before taxation	27,023	18,175
Tax on loss on ordinary activities	<u>68</u>	<u>68</u>
Loss on ordinary activities after taxation	27,091	18,243
Allocation has been made to the various Estates as follows:-		
Berkeley Road, Cleethorpes	1,226	1,955
Greenlands III, New Waltham	5,516	1,303
Howell Phase II, Grimsby Road, Humberston	1,226	652
Priors Close, New Waltham	613	-
Riverhead, Louth	<u>3,677</u>	<u>-</u>
	12,258	3,910
	14,833	14,333
Less: Recovered re Land not ongoing	14,833	13,333
Sundry Sale	<u>-</u>	<u>1,000</u>
	14,833	14,333
Net Profit for the year	<u>£ -</u>	<u>£ -</u>

LAND DEVELOPERS (LINCS.) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED

31 AUGUST, 2000.

Notes		2000	1999
8	TURNOVER	14,833	14,333
	Administrative Expenses	(27,452)	(18,505)
5	Administration Charge to Estate Accounts	<u>12,258</u>	<u>3,910</u>
9	OPERATING LOSS	(361)	(262)
	Interest Receivable and similar Income	<u>429</u>	<u>330</u>
	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	68	68
10	Taxation	(68)	(68)
	PROFIT/LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	-	-
	BALANCE BROUGHT FORWARD	<u>3</u>	<u>3</u>
	BALANCE CARRIED TO BALANCE SHEET	£3	£3
		=	=

CONTINUING OPERATIONS

There have been no changes to the company's activities during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the trading result for the above two financial years.

LAND DEVELOPERS (LINCS.) LIMITED

BALANCE SHEET

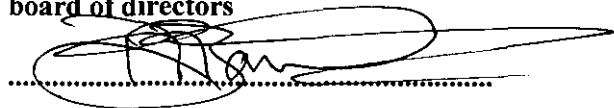
AS ON

31 AUGUST, 2000.

Notes		2000	1999
	FIXED ASSETS		
2	Tangible Assets	1	1
	CURRENT ASSETS		
3	Debtors	4,175	10,246
	Cash at Bank	<u>82,439</u>	<u>69,430</u>
		<u>£86,614</u>	<u>£79,676</u>
4	CREDITORS: (Amounts falling due within one year)	<u>£86,332</u>	<u>£79,394</u>
	NET CURRENT ASSETS	<u>282</u>	<u>282</u>
	TOTAL NET ASSETS	<u>£283</u>	<u>£283</u>
	CAPITAL AND RESERVES		
6	Called Up Share Capital	280	280
	Profit and Loss Account	<u>3</u>	<u>3</u>
7	SHAREHOLDERS' FUNDS	<u>£283</u>	<u>£283</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



Director

Date approved by the board 20th November 2000

a) BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

b) TURNOVER

Turnover represents administration fees received from members and is exclusive of VAT.

From time to time turnover may also include sundry receipts such as the sale of small plots of land from finished estates which were historically worthless due to third party access requirements at the time of development.

c) CASH FLOW

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

d) DEPRECIATION

The cost of assets purchased are written off on a straight line basis at varying rates of depreciation depending on their individual useful economic lives.

e) DEFERRED TAXATION

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1. NATURE OF THE BUSINESS

Land Developers (Lincs.) Limited is a non-profit making organisation whose members consist of a consortium of builders.

At the request of its members, the company arranges the acquisition of land on their behalf, administers the development of roads and joint services and arranges the final redistribution of the developed land back to its members. Costs are funded by members' contributions.

At the outset of each development, participating members concerned enter into a land purchase agreement with the company under which each party is mutually obliged to eventually transfer the title in the land to the participating member.

2. FIXED ASSETS**Tangible Assets**

	Office Furniture	
	2000	1999
a) Cost		
At 1 September, 1999 and 31 August, 2000	£81	£81
	=	=
b) Depreciation		
At 1 September, 1999 and 31 August, 2000	£80	£80
	=	=
c) Net Book Value		
At 1 September, 1999 and 31 August, 2000	£1	£1
	=	=

3. DEBTORS

Trade Debtors	-	9,309
Estate Balance (see Note 5)	4,045	797
Other Debtors	130	140
	£4,175	£10,246
	=	=

4. CREDITORS: Amounts falling due within one year:

Trade Creditors	6,720	11,693
Estate Balances (See note 5)	74,969	64,036
Taxation and Social Security	2,965	1,873
Corporation Tax	438	727
Accruals	1,240	1,065
	£86,332	£79,394
	=	=

5. RECONCILIATION OF MOVEMENT ON ESTATE BALANCES

	Berkeley Road	Greenlands III	Howell II	Riverhead Louth	Total	Priors Close New Waltham
Interest Received	800	618	768	153	2,339	-
Less: Corporation Tax thereon	<u>127</u> 673	<u>98</u> 520	<u>122</u> 646	<u>24</u> 129	<u>371</u> 1,968	<u>-</u> -
Members' Contributions received	-	176,500	-	385,000	561,500	-
Other Contributions received	<u>4,474</u> 5,147	<u>-</u> 177,020	<u>-</u> 646	<u>-</u> 385,129	<u>4,474</u> 567,942	<u>-</u> -
Deduct: Site Expenditure incurred	6,265	131,932	10,573	370,797	519,567	3,432
Amount returned to Members	<u>25,000</u> (26,118)	<u>-</u> 45,088	<u>-</u> (9,927)	<u>-</u> 14,332	<u>25,000</u> 23,375	<u>-</u> (3,432)
Less: Administration Charge for the year	<u>1,226</u> (27,344)	<u>5,516</u> 39,572	<u>1,226</u> (11,153)	<u>3,677</u> 10,655	<u>11,645</u> 11,730	<u>613</u> (4,045)
Balance at 1 September, 1999	<u>37,505</u>	<u>(797)</u>	<u>26,531</u>	<u>-</u>	<u>63,239</u>	<u>-</u>
Balance at 31 August, 2000	<u>£10,161</u>	<u>£38,775</u>	<u>£15,378</u>	<u>£10,655</u>	<u>£74,969</u>	<u>£(4,045)</u>

6. CALLED UP SHARE CAPITAL

Authorised:

50 Ordinary Shares of £10 each

2000

£500

1999

£500

Allotted, Issued and Fully Paid:

28 Ordinary Shares of £10 each

£280

£280

Each member of the company holds one fully paid £10 Ordinary share.

At 31 August, 2000 there were 15 active members (1999 - 14). The remaining 13 shares (1999 - 14), previously issued to former members, are currently held by directors as nominees in trust pending issue to any future members.

Amounts unpaid on the nominee shares are shown in the accounts within other debtors.

7. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Profit for the year after taxation

Opening Shareholders' Funds at 1 September, 1999

Closing Shareholders' Funds at 31 August, 2000

2000

-

283

£283

1999

-

283

£283

LAND DEVELOPERS (LINCS.) LIMITED
FOR THE YEAR ENDED

NOTES TO THE ACCOUNTS
(CONTINUED)

31 AUGUST, 2000.

8. SEGMENTAL INFORMATION

The company operates in the U.K. and the whole of its turnover is to the U.K. market.

9. OPERATING LOSS	2000	1999
--------------------------	-------------	-------------

Operating loss is stated after charging:-

Auditors' Remuneration	<u>£1,200</u>	<u>£1,050</u>
Directors' Remuneration	<u>£12,800</u>	<u>£6,400</u>

10. TAXATION

Corporation Tax at the small companies rate:-

On Profit on ordinary activities	68		68	
On Estate Income:				
Berkeley Road	127		543	
Greenlands III	98		58	
Howell Phase II	121		58	
Riverhead, Louth	<u>24</u>		<u>-</u>	<u>659</u>
	<u>£438</u>			<u>£727</u>

There is no liability to deferred taxation at the year end (1999 - £Nil).

11. CONTINGENT LIABILITIES

Road Bonds

At the Balance Sheet date, the following guarantees had been given on behalf of the company:-

i) Berkeley Road, Cleethorpes

£10,260 - Given by the bank and secured by certain members who participated on this estate.

ii) Greenlands III, New Waltham

£252,230 - Given by the bank and secured by a charge on land owned by the company at Greenlands III, together with a charge on a bank deposit held by the company.

Disputed Services

Charges have been made to the company for services which are in dispute.

The company does not regard any payment as being due on invoices amounting to £9,115.

11. CONTINGENT LIABILITIES (Continued)

Berkeley Road, Cleethorpes

There remains, at the balance sheet date, a number of issues outstanding on this estate.

The directors consider it unlikely however, that the resolution of these issues will result in further significant costs.

12. ULTIMATE CONTROL

As each member of the company only holds one ordinary share, the directors consider that any simple majority of current active members have ultimate control.

13. RELATED PARTY TRANSACTIONS

Estate Accounts

All directors have interests in businesses or companies which hold shares in the company and all members are entitled to participate in each estate from its outset.

The company does not allow non-members to participate.

It follows, therefore, that all participants of an estate development are members of the company. Movements on the individual estates during the year are shown in Note 5 to the accounts.

As the company purchases land or contracts for services, calls for contributions are made upon the participating members.

Turnover

The principal activity of the company is the administration of the land transactions. The costs of this administration are largely covered by charges to members at the rate of £1,000 per member per year, (1999 - £1,000).

Administration

The chairman, P. F. Bannister, is also a director of Bannister Developments (Grimsby) Limited who provided site attendance services to the company during the year amounting to £1,250 (1999 - £Nil).

The secretary, N. D. Bratton, is also a director of James Bratton and Co. Limited who provide management services to the company. The charge for such services during the year amounted to £12,000 (1999 - £10,000).