

NEWLAND HOMES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2002



NEWLAND HOMES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2002

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NEWLAND HOMES LIMITED

COMPANY INFORMATION

The board of directors

Mr D Foreman
Mr J N McCreadie
Mr J D Drew
Mr P Sanders

Company secretary

Mr D Foreman

Registered office

Grange Court
36 Bowling Road
Chipping Sodbury
Bristol
BS37 6EP

Auditors

Morris Owen
Chartered Accountants
& Registered Auditors
Morris Owen House
43-45 Devizes Road
Swindon
Wiltshire
SN1 4BG

Bankers

National Westminster Bank Plc
73a Commercial Road
Swindon
Wiltshire
SN1 5NX

Solicitors

Wood Awdry & Ford
Kingsbury House
Marlborough
Wiltshire
SN8 1HU

NEWLAND HOMES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st DECEMBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principle activity of the company continued to be that of property developers.

The directors are satisfied with the results for the year, and the balance sheet position as at the year end.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2002 £	2001 £
Proposed dividends on ordinary shares	200,000	—
Dividends paid on ordinary shares	250,000	400,000
	<u>450,000</u>	<u>400,000</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At 31 December 2002	At 1 January 2002 or later date of appointment
Mr D Foreman		500	500
Mr J N McCreadie		500	500
Mr J D Drew		—	—
Mr P Sanders	(Appointed 1 March 2002)	—	—

NEWLAND HOMES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2002

EUROPEAN MONETARY UNION

The directors have monitored the impact of the Euro and will continue to do so. The directors believe that the impact upon the company is not significant.

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 12 to 13, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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

A resolution to re-appoint Morris Owen as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Grange Court
36 Bowling Road
Chipping Sodbury
Bristol
BS37 6EP

Signed by order of the directors



Mr D Foreman
Company Secretary

Approved by the directors on 25th July 2003.

NEWLAND HOMES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31st DECEMBER 2002

We have audited the financial statements which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable 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 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. Our responsibilities do not extend to any other information.

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.

NEWLAND HOMES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31st DECEMBER 2002

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 2002 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Morris Owen House
43-45 Devizes Road
Swindon
Wiltshire
SN1 4BG



MORRIS OWEN
Chartered Accountants
& Registered Auditors

4/9/03

NEWLAND HOMES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2002

	Note	2002 £	2001 (restated) £
TURNOVER	2	20,351,124	11,164,981
Cost of sales		14,241,795	8,540,289
GROSS PROFIT		6,109,329	2,624,692
Administrative expenses		1,333,810	1,078,107
Other operating income	3	(8,150)	(10,350)
OPERATING PROFIT	4	4,783,669	1,556,935
Interest receivable		1,657	9,653
Interest payable	8	(75,436)	(79,080)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,709,890	1,487,508
Tax on profit on ordinary activities	9	1,399,915	422,687
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,309,975	1,064,821
Dividends	10	450,000	400,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		2,859,975	664,821

All of the activities of the company are classed as continuing.

The notes on pages 12 to 23 form part of these financial statements.

NEWLAND HOMES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31st DECEMBER 2002

	2002	2001
	£	(restated) £
Profit for the financial year attributable to the shareholders	3,309,975	1,064,821
Total recognised gains and losses relating to the year	3,309,975	1,064,821
Prior year adjustment (see note 11)	(41,598)	(63,975)
Total gains and losses recognised since the last annual report	3,268,377	1,000,846

The notes on pages 12 to 23 form part of these financial statements.

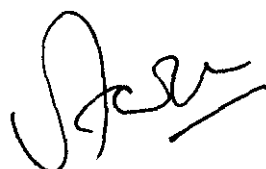
NEWLAND HOMES LIMITED

BALANCE SHEET

31st DECEMBER 2002

	Note	2002 £	2001 (restated) £
FIXED ASSETS			
Tangible assets	12	884,721	838,392
CURRENT ASSETS			
Stocks	13	8,097,879	4,377,130
Debtors due within one year	14	1,587,212	1,295,264
Debtors due after one year	14	105,250	493,250
Cash at bank		561,577	-
		<u>10,351,918</u>	<u>6,165,644</u>
CREDITORS: Amounts falling due within one year	15	<u>3,935,401</u>	<u>2,795,082</u>
NET CURRENT ASSETS		<u>6,416,517</u>	<u>3,370,562</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,301,238</u>	<u>4,208,954</u>
CREDITORS: Amounts falling due after more than one year	16	<u>728,344</u>	<u>477,743</u>
		<u>6,572,894</u>	<u>3,731,211</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	19	23,306	41,598
		<u>6,549,588</u>	<u>3,689,613</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	1,000	1,000
Profit and loss account	24	6,548,588	3,688,613
SHAREHOLDERS' FUNDS	25	<u>6,549,588</u>	<u>3,689,613</u>

These financial statements were approved by the directors on the 25th July 2003 and are signed on their behalf by:



Mr D Foreman



Mr J N McCreadie

The notes on pages 12 to 23 form part of these financial statements.

NEWLAND HOMES LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31st DECEMBER 2002

	2002	2001
	£	(restated) £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,911,958	(43,768)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,657	9,653
Interest paid	(41,405)	(41,234)
Interest element of hire purchase	(34,031)	(37,846)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(73,779)	(69,427)
TAXATION	(444,261)	(376,535)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(76,169)	(81,660)
Receipts from sale of fixed assets	29,498	58,325
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(46,671)	(23,335)
EQUITY DIVIDENDS PAID	(250,000)	(400,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING	1,097,247	(913,065)
FINANCING		
New debenture loans	263,000	-
Repayment of debenture loans	(51,000)	(55,000)
New bank loans	6,759,420	1,108,394
Repayment of bank loans	(7,218,601)	(685,433)
Capital element of hire purchase	(288,489)	(219,299)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(535,670)	148,662
INCREASE/(DECREASE) IN CASH	561,577	(764,403)

The notes on pages 12 to 23 form part of these financial statements.

NEWLAND HOMES LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31st DECEMBER 2002

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2002	2001 <i>(restated)</i>
	£	£
Operating profit	4,783,669	1,556,935
Depreciation	238,593	209,542
Loss on disposal of fixed assets	3,156	16,503
Increase in stocks	(3,720,749)	(2,358,047)
Decrease/(increase) in debtors	96,052	(26,161)
Increase in creditors	511,237	557,460
Net cash inflow/(outflow) from operating activities	1,911,958	(43,768)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002	2001
	£	£
Increase/(decrease) in cash in the period	561,577	(764,403)
Net cash (inflow) from/outflow from debentures	(212,000)	55,000
Net cash outflow from/(inflow) from bank loans	459,181	(422,961)
Cash outflow in respect of hire purchase	288,489	219,299
Change in net debt resulting from cash flows	1,097,247	(913,065)
New finance leases	(241,407)	(378,676)
Movement in net debt in the period	855,840	(1,291,741)
Net debt at 1 January 2002	(1,254,375)	37,366
Net debt at 31 December 2002	(398,535)	(1,254,375)

The notes on pages 12 to 23 form part of these financial statements.

NEWLAND HOMES LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31st DECEMBER 2002

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2002 £	Cash flows £	Other changes £	At 31 Dec 2002 £
Net cash:				
Cash in hand and at bank	—	561,577	—	561,577
Debt:				
Debt due within 1 year	(495,381)	495,381	—	—
Debt due after 1 year	(232,215)	(248,200)	—	(480,415)
Hire purchase agreements	(526,779)	288,489	(241,407)	(479,697)
	<u>(1,254,375)</u>	<u>535,670</u>	<u>(241,407)</u>	<u>(960,112)</u>
Net debt	<u>(1,254,375)</u>	<u>1,097,247</u>	<u>(241,407)</u>	<u>(398,535)</u>

The notes on pages 12 to 23 form part of these financial statements.

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 4% straight line
Freehold Property Improvements	- 4% straight line
Plant & Machinery	- 25% reducing balance
Motor Vehicles	- 33.33% reducing balance
Furniture & Equipment	- 15% reducing balance
Leashold Property Improvements	- 25% straight line

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. TURNOVER

The turnover and operating profit for the year was derived from the company's principle activity and was carried out wholly in the UK.

3. OTHER OPERATING INCOME

	2002	2001 <i>(restated)</i>
	£	£
Rent receivable	<u>8,150</u>	<u>10,350</u>

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

4. OPERATING PROFIT

Operating profit is stated after charging:

	2002	2001 (restated)
	£	£
Depreciation of owned fixed assets	52,713	36,943
Depreciation of assets held under hire purchase agreements	185,880	172,599
Loss on disposal of fixed assets	3,156	16,503
Auditors' remuneration		
- as auditors	8,835	6,965
Operating lease costs:		
Plant and equipment	<u>333,153</u>	<u>302,007</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2002	2001 (restated)
	No	No
Number of direct staff	64	40
Number of administrative staff	7	5
	<u>71</u>	<u>45</u>

The aggregate payroll costs of the above were:

	2002	2001 (restated)
	£	£
Wages and salaries	1,962,397	1,586,988
Social security costs	243,776	193,333
Other pension costs	135,644	100,220
	<u>2,341,817</u>	<u>1,880,541</u>

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001 (restated)
	£	£
Emoluments receivable	392,747	262,618
Value of company pension contributions to money purchase schemes	65,140	65,140
	<u>457,887</u>	<u>327,758</u>

Emoluments of highest paid director:

	2002	2001 (restated)
	£	£
Total emoluments (excluding pension contributions):	75,000	101,441
Value of company pension contributions to money purchase schemes	32,570	32,570
	<u>107,570</u>	<u>134,011</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2002	2001 (restated)
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

7. PENSIONS - DEFINED CONTRIBUTION SCHEME

The company operates a defined contribution scheme for the benefit of directors and certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

8. INTEREST PAYABLE

	2002	2001 (restated)
	£	£
Interest payable on bank borrowing	2,873	2,071
Finance charges	34,031	37,846
Other similar charges payable	38,532	39,163
	<u>75,436</u>	<u>79,080</u>

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2002	2001 <i>(restated)</i>
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2001 - 30%)	1,418,904	444,959
Over/under provision in prior year	(697)	104
Total current tax	<u>1,418,207</u>	<u>445,063</u>
Deferred tax:		
Decrease in deferred tax provision	(18,292)	(22,376)
Tax on profit on ordinary activities	<u>1,399,915</u>	<u>422,687</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2001 - 30%).

	2002	2001 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	<u>4,709,890</u>	<u>1,487,508</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	1,412,967	446,252
Expenses not deductible for tax	70,442	71,334
Capital allowances	(64,505)	(72,239)
Adjustments to tax charge in respect of prior periods	(697)	104
Marginal relief	—	(388)
Total current tax (note 9(a))	<u>1,418,207</u>	<u>445,063</u>

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

10. DIVIDENDS

The following dividends have been paid or proposed in respect of the year:

	2002	2001 (restated)
	£	£
Proposed dividend on ordinary shares	200,000	—
Dividend paid on ordinary shares	250,000	400,000
	<u>450,000</u>	<u>400,000</u>

11. PRIOR YEAR ADJUSTMENT

The company changed its accounting policy for deferred taxation during the year, in accordance with the new Financial Reporting Standard 19 (effective January 2002) which came into effect during the year. The company now recognises deferred tax assets when it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

12. TANGIBLE FIXED ASSETS

	Freehold & Freehold Property Improve- ments £	Plant & Machinery £	Motor Vehicles £	Furniture and Equipment £	Leasehold Property Improve- ments £	Total £
COST						
At 1 Jan 2002	86,577	573,646	415,024	72,297	21,518	1,169,062
Additions	—	36,559	241,408	39,609	—	317,576
Disposals	—	(15,000)	(70,490)	(11,737)	—	(97,227)
At 31 Dec 2002	86,577	595,205	585,942	100,169	21,518	1,389,411
DEPRECIATION						
At 1 Jan 2002	6,966	128,989	158,755	24,398	11,562	330,670
Charge for the year	1,577	114,071	107,719	9,537	5,689	238,593
On disposals	—	(6,409)	(50,244)	(7,920)	—	(64,573)
At 31 Dec 2002	8,543	236,651	216,230	26,015	17,251	504,690
NET BOOK VALUE						
At 31 Dec 2002	78,034	358,554	369,712	74,154	4,267	884,721
At 31 Dec 2001	79,611	444,657	256,269	47,899	9,956	838,392

Hire purchase agreements

Included within the net book value of £884,721 is £462,505 (2001 - £674,057) relating to assets held under hire purchase agreements, and £3,841 (2001 - £5,121) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £184,600 (2001 - £170,892), and £1,280 (2001 - £1,707) in respect of assets held under finance lease agreements.

13. STOCKS

	2002 £	2001 (restated) £
Work in progress	<u>8,097,879</u>	<u>4,377,130</u>

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

14. DEBTORS

	2002	2001 (restated)
	£	£
Trade debtors	1,062,736	1,035,236
Other debtors	609,035	733,285
Prepayments and accrued income	20,691	19,993
	<u>1,692,462</u>	<u>1,788,514</u>

The debtors above include the following amounts falling due after more than one year:

	2002	2001 (restated)
	£	£
Trade debtors	9,000	—
Other debtors	96,250	493,250
	<u>105,250</u>	<u>493,250</u>

15. CREDITORS: Amounts falling due within one year

	2002	2001 (restated)
	£	£
Other loans	—	51,000
Bank loans and overdrafts	—	444,381
Payments received on account	232,758	—
Trade creditors	771,758	812,453
Corporation tax	1,418,904	444,958
Other taxation and social security	121,137	86,468
Hire purchase agreements	231,768	281,251
Dividends payable	200,000	—
Other creditors	499	12,057
Directors current accounts	255,431	280,140
Accruals and deferred income	703,146	382,374
	<u>3,935,401</u>	<u>2,795,082</u>

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

15. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001 <i>(restated)</i>
	£	£
Bank loans and overdrafts	–	444,381
Hire purchase agreements	231,768	281,251
	<u>231,768</u>	<u>725,632</u>

Obligations under hire purchase and finance leases are secured on the assets concerned.

16. CREDITORS: Amounts falling due after more than one year

	2002	2001 <i>(restated)</i>
	£	£
Other loans	453,000	190,000
Bank loans and overdrafts	27,415	42,215
Hire purchase agreements	247,929	245,528
	<u>728,344</u>	<u>477,743</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001 <i>(restated)</i>
	£	£
Bank loans and overdrafts	38,215	42,215
Hire purchase agreements	247,929	245,528
	<u>286,144</u>	<u>287,743</u>

For details of the security held by National Westminster Bank Plc over the assets of the company see note 18 to these financial statements.

Obligations under hire purchase and finance leases are secured on the assets concerned.

Other loans not payable by instalments

A loan for £190,000 is repayable in full in March 2005 and a loan for £263,000 is repayable in full in June 2007. The interest on both loans is 3% above the base lending rate of Coutts & Co at the date that the advance was made and is reviewable annually on the anniversary date of the advance.

NEWLAND HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2002

17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002	2001 (restated)
	£	£
Amounts payable within 1 year	231,768	281,251
Amounts payable between 1 and 2 years	192,635	153,625
Amounts payable between 3 and 5 years	55,294	91,903
	<u>479,697</u>	<u>526,779</u>

18. SECURITY

The bank holds the following assets as security:

Fixed and floating charge over all the Company's assets.

Legal Mortgage over freehold property known as 8 Lansdown Place, Cheltenham.

Legal Mortgage over land known as Ashway House & Land, Cashes Green Road, Stroud.

Legal Mortgage over land known as Coleford, Somerset.

Legal Mortgage over land known as Ison Hill Road, Henbury.

Legal Mortgage over land known as South Side, Highbury Street, Coleford.

Legal Mortgage over land known as South of High Street, Dilton Marsh, Westbury.

Legal Mortgage over land known as Bowbridge Wharf, Stroud.

Legal Mortgage over land known as North Side of Douglas Road, Kingswood, South Gloucestershire.

Legal Mortgage over land known as Homestead, Hayden Road.

19. DEFERRED TAXATION

	2002	2001 (restated)
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	41,598	63,974
Profit and loss account movement arising during the year	(18,292)	(22,376)
Provision carried forward	<u>23,306</u>	<u>41,598</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002	2001 (restated)
	£	£
Excess of taxation allowances over depreciation on fixed assets	23,306	41,598
	<u>23,306</u>	<u>41,598</u>

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20. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	2002		2001	
	Land & Buildings	Other Items	Land & Buildings (restated)	Other Items
	£	£	£	£
Operating leases which expire:				
Within 2 to 5 years	24,200	5,946	24,200	4,630
After more than 5 years	—	759	—	—
	<u>24,200</u>	<u>6,705</u>	<u>24,200</u>	<u>4,630</u>

21. RELATED PARTY TRANSACTIONS

	2002 £	2001 £
The following transactions occurred during the year with Newland Homes Executive Pension Trust, the beneficiaries of which are the directors and shareholders of Newland Homes Ltd:		
Pension trust expenses	1,967	2,070
Loan interest	23,718	25,113
Rent	24,200	22,367
Pension loan advance/(repayment)	212,000	(55,000)
At the year end the following balances existed:		
Pension loan	453,000	241,000
Loan interest accrual	20,868	18,840
Pension trust expenses accrual	1,450	1,410

During the year the Newland Homes Ltd made sales to its Joint Ventures: Launchpride, L&R Developments, and James & Co of £4,096,520, £2,369,334, and £2,099,772 respectively.

At the year end the amount receivable from Launchpride Ltd was £352,250 (2001:£548,250).

During the year Newland Homes Ltd sold some properties to Mr J McCreddie, a director, for a total consideration of £369,450.

The above transactions were carried out at fair values.

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of Newland Homes Limited is considered to be Mr D Foreman and Mr J N McCreddie, the directors and shareholders of the company.

NEWLAND HOMES LIMITED
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23. SHARE CAPITAL

Authorised share capital:

	2002	2001 (restated)
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2002		2001
	No	£	No
	1,000	1,000	1,000
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

24. PROFIT AND LOSS ACCOUNT

	2002	2001 (restated)
	£	£
Original balance brought forward	3,730,211	3,087,767
Prior year adjustment (note 11)	(41,598)	(63,975)
Restated balance brought forward	<u>3,688,613</u>	<u>3,023,792</u>
Retained profit for the financial year	2,859,975	664,821
Balance carried forward	<u>6,548,588</u>	<u>3,688,613</u>

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001 (restated)
	£	£
Profit for the financial year	3,309,975	1,064,821
Dividends	(450,000)	(400,000)
	<u>2,859,975</u>	<u>664,821</u>
Opening shareholders' equity funds	3,731,211	3,088,767
Prior year adjustment (see note 11)	(41,598)	(63,975)
	<u>3,689,613</u>	<u>3,024,792</u>
Closing shareholders' equity funds	<u>6,549,588</u>	<u>3,689,613</u>