

FERNHAM HOMES LIMITED

Company No: 3778310

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OF ACCOUNTS

FINANCIAL STATEMENTS

- for the year ended -

31ST MAY 2002



Cavendish
Chartered Certified Accountants
61 Chandos Place
London
WC2N 4HG

Reference 5074

TX/13427

FERNHAM HOMES LIMITED

DIRECTORS

I D Fern
M C Canham

SECRETARY

A D Canham

BUSINESS ADDRESS

20/20 Business Park
Liphook Way
Maidstone Kent
ME16 0LQ

REGISTERED OFFICE

61 Chandos Place
London
WC2N 4HG

AUDITORS

Cavendish
Chartered Certified Accountants
61 Chandos Place
London
WC2N 4HG

PRINCIPAL BANKERS

Barclays Bank plc
66 High Street
Ashford Kent
TN24 8TL

Natwest Bank plc
3 High Street
Maidstone
Kent
ME14 1XU

FERNHAM HOMES LIMITED

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FERNHAM HOMES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 May 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the redevelopment of land acquired on behalf of the joint venture participants.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of shares</u>	<u>Number of shares</u>	
		<u>2002</u>	<u>2001</u>
I D Fern	Ordinary shares	50	50
M C Canham	Ordinary shares	50	50

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;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cavendish, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

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

Date: 24 March 2003

By Order of the Board

I D Fern

Director

FERNHAM HOMES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
FERNHAM HOMES LIMITED**

We have audited the financial statements on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 1, 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 applicable law 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.

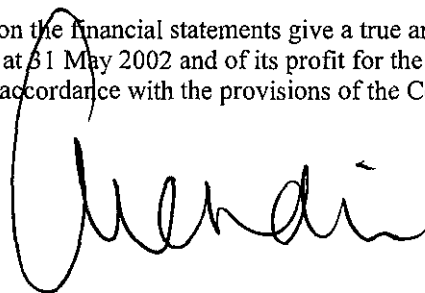
Basis of audit opinion

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 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 affairs of the company as at 31 May 2002 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



**Cavendish
Chartered Certified Accountants
Registered Auditors
61 Chandos Place
London WC2N 4HG**

Date: 25 March 2003

FERNHAM HOMES LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAY 2002**

	Notes	2002 £	2001 £
TURNOVER		1,341,000	267,000
Cost of sales		(1,076,130)	(156,725)
GROSS PROFIT		264,870	110,275
Administrative expenses		(59,187)	(17,769)
OPERATING PROFIT	2	205,683	92,506
Interest receivable		25	1,168
Interest payable		(34,542)	(7,073)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		171,166	86,601
Tax on profit on ordinary activities	3	(38,500)	(15,000)
PROFIT FOR THE FINANCIAL YEAR	9	132,666	71,601

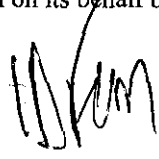
The notes on pages 5 to 7 form part of these financial statements.

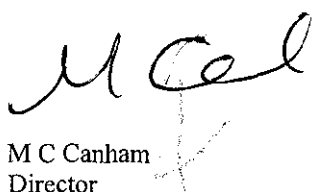
FERNHAM HOMES LIMITED**BALANCE SHEET AT 31ST MAY 2002**

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	4	42,500	42,000
Investments	5	1	-
		<u>42,501</u>	<u>42,000</u>
CURRENT ASSETS			
Stocks		1,160,848	240,000
Debtors	6	70,220	43,702
Cash at bank and in hand		207,483	90,226
		<u>1,438,551</u>	<u>373,928</u>
CREDITORS: Amounts falling due within one year	7	<u>(1,259,972)</u>	<u>(327,514)</u>
NET CURRENT ASSETS		<u>178,579</u>	<u>46,414</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>221,080</u>	<u>88,414</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	220,980	88,314
SHAREHOLDERS FUNDS		<u>221,080</u>	<u>88,414</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved
by the board on 24 March 2003
and signed on its behalf by


I D Fern
Director


M C Canham
Director

The notes on pages 5 to 7 form part of these financial statements.

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2002

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 TURNOVER

Turnover represents the gross sales proceeds of property.

1.3 DEPRECIATION

Depreciation is provided using the rates to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Plant and machinery 25% Reducing balance

1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

2. OPERATING PROFIT

	2002 £	2001 £
The operating profit is stated after charging:		
Depreciation	13,500	14,000
Auditors' remuneration	1,000	-
	<u>14,500</u>	<u>14,000</u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
The taxation charge comprises:		
U.K. corporation tax	38,500	15,000
	<u>38,500</u>	<u>15,000</u>

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2002

4. TANGIBLE ASSETS

	Plant and machinery etc. £
<u>Cost</u>	
At 1 June 2001	56,000
Additions	14,000
At 31 May 2002	70,000
<u>Depreciation</u>	
At 1 June 2001	14,000
Charge for year	13,500
At 31 May 2002	27,500
<u>Net book value at 31 May 2002</u>	42,500
<u>Net book value at 31 May 2001</u>	42,000

Included above are assets held under hire purchase contracts as follows:

	2002 £	2001 £
Net book value	32,000	42,000
Depreciation charge for the year	10,000	14,000

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

5. INVESTMENTS

<u>Cost</u>	Beginning of year £	Additions £	End of year £
Other investments other than loans	-	1	1
	-	1	1
<u>Net book value</u>	-		1

Other investments
other than loans

2002

2001

Cost
£

Cost
£

Unlisted

1

-

FERNHAM HOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2002****6. DEBTORS**

	2002 £	2001 £
Trade debtors	-	34,000
Other debtors	70,220	9,702
	<u>70,220</u>	<u>43,702</u>

**7. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	2002 £	2001 £
Bank loan	506,329	123,387
Trade creditors	362,909	137,852
Other taxes and social security costs	-	179
Other creditors	390,734	66,096
	<u>1,259,972</u>	<u>327,514</u>

The bank loan is secured on the company's stock of property.

Included in other creditors is corporation tax of £57,750 (2000:£19,250).

8. SHARE CAPITAL

	2002 £	2001 £
<u>Authorised</u>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<u>Allotted, called up and fully paid</u>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Retained profits at 1 June 2001	88,314	16,713
Profit for the financial year	132,666	71,601
Retained profits at 31 May 2002	<u>220,980</u>	<u>88,314</u>

10. CONTROL

The company is controlled by I D Fern and M C Canham.