

**PURELAKE NEW HOMES LIMITED**  
**REPORT AND ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2000**

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COMPANIES HOUSE 18/01/01

**PURELAKE NEW HOMES LIMITED**

Registered in England and Wales No.	2695040
Date of Incorporation	9 March 1992
Directors	B J White Mrs S A White G A Dowd
Company Secretary	Mrs S A White
Registered Office	Springbank Business Centre 87/89 Springbank Road London SE13 6SS
Auditors	Burrells Registered Auditors Jubilee House Jubilee Court Dersingham King's Lynn Norfolk PE31 6HH
Bankers	Barclays Bank plc Maidstone Corporate Banking Centre PO Box 427 Maidstone Kent ME14 1TW  National Westminster Bank plc Second Floor 143 High Street Bromley Kent BR1 1JH

**PURELAKE NEW HOMES LIMITED****REPORT OF THE DIRECTORS****YEAR ENDED 30 SEPTEMBER 2000**

The directors have pleasure in presenting their report and the accounts for the year ended 30 September 2000.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company is the construction of new residential property.

**REVIEW OF THE COMPANY'S BUSINESS**

During the year the company completed work on two major projects which resulted in a large increase in turnover. As a result the company achieved a profit after the payment of dividends of £1786933 (1999 - loss - £4299) which was transferred to/(from) reserves.

**DIVIDENDS**

Interim dividends of £250000 (1999 - £Nil) were paid in September 2000. No final dividend is recommended.

**PARENT COMPANY**

The company is a subsidiary of Purelake Properties Limited which owns 80% of the Ordinary Shares (1999 - 80%).

**DIRECTORS AND DIRECTORS' INTERESTS**

The directors who served the company during the year together with details of their shareholdings are as follows: -

**Shares in Parent Company****Ordinary Shares of £1 each  
2000 and 1999**

B J White	)	
	) Jointly	100
Mrs S A White	)	

**Shares in Company****Ordinary Shares of £1 each  
2000 and 1999**

G A Dowd	20
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**PURELAKE NEW HOMES LIMITED****REPORT OF THE DIRECTORS****YEAR ENDED 30 SEPTEMBER 2000****CHARITABLE AND POLITICAL DONATIONS**

The company contributed £525 (1999 - £1090) to charities in the UK. No payments were made to political parties.

**AUDITORS**

In accordance with Section 384(1) of the Companies Act 1985 a resolution proposing the re-appointment of Burrells, Chartered Accountants, will be presented at the forthcoming Annual General Meeting.

**DIRECTORS' RESPONSIBILITY IN RESPECT OF THE ACCOUNTS**

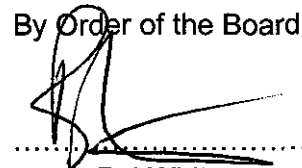
Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the result for that period.

In preparing the accounts the directors are required to: -

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the accounts on a 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. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



B J White  
Director

**REPORT OF THE AUDITORS TO**  
**PURELAKE NEW HOMES LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 15 together with the full financial statements of the company for the year ended 30 September 2000 prepared under section 226 of the Companies Act 1985.

**Respective Responsibilities of Directors and Auditors**

The company's directors are responsible for the preparation of abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of Opinion**

We have carried out the procedures we consider necessary to confirm by reference to the full audited financial statements that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with that provision.

Jubilee House  
Jubilee Court  
Dersingham  
King's Lynn  
Norfolk  
PE31 6HH

*Burrells*

Burrells  
Registered Auditors

17<sup>th</sup> January 2001

**PURELAKE NEW HOMES LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 SEPTEMBER 2000**

	<b><u>Notes</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
<b><u>GROSS PROFIT</u></b>		3652818	983345
<b><u>ADMINISTRATIVE EXPENSES</u></b>		634304	791314
		<hr/>	<hr/>
		3018514	192031
<b><u>OTHER OPERATING INCOME</u></b>	16	102147	52939
<b><u>OPERATING PROFIT</u></b>		<hr/>	<hr/>
		3120661	244970
<b><u>INTEREST PAYABLE AND SIMILAR CHARGES</u></b>	17	235116	234695
<b><u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>	12	<hr/>	<hr/>
		2885545	10275
		<hr/>	<hr/>

**PURELAKE NEW HOMES LIMITED****PROFIT AND LOSS APPROPRIATION ACCOUNT****YEAR ENDED 30 SEPTEMBER 2000**

	<b>Note</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
<b><u>PROFIT ON ORDINARY ACTIVITIES</u></b>			
<b><u>BEFORE TAXATION</u></b>		2885545	10275
<b><u>TAXATION</u></b>	15	848612	14574
<b><u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u></b>			
<b><u>AFTER TAXATION</u></b>		2036933	(4299)
<b><u>DIVIDENDS</u></b>		250000	--
<b><u>RETAINED PROFIT/(LOSS) for year</u></b>		1786933	(4299)
<b><u>RETAINED PROFIT</u> brought forward</b>		1175089	1179388
<b><u>RETAINED PROFIT</u> carried forward</b>		2962022	1175089

**CONTINUING OPERATIONS**

None of the activities of the company were commenced or were discontinued during the current or previous year.


**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the above profits/(losses) for the current and previous year.

**PURELAKE NEW HOMES LIMITED****BALANCE SHEET - 30 SEPTEMBER 2000**

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	7	112928	92852
<b><u>CURRENT ASSETS</u></b>			
Stocks	8	6773219	5836397
Debtors	9	521630	883613
Cash at Bank and in Hand		100785	43904
		<u>7395634</u>	<u>6763914</u>
<b><u>CREDITORS</u></b>			
<b><u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>			
Bank Overdraft		--	263589
Other Creditors	10	4246310	5202328
		<u>4246310</u>	<u>5465917</u>
<b><u>NET CURRENT ASSETS</u></b>		3149324	1297997
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<u>3262252</u>	<u>1390849</u>
<b><u>CREDITORS</u></b>			
<b><u>AMOUNTS FALLING DUE AFTER ONE YEAR</u></b>			
	11	300130	215660
		<u>2962122</u>	<u>1175189</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called Up Share Capital	2	100	100
Profit and Loss Account		2962022	1175089
		<u>2962122</u>	<u>1175189</u>

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

  
 ..... Director

B J White

.....  
 Date



**PURELAKE NEW HOMES LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 30 SEPTEMBER 2000**

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
<b><u>CASH INFLOW/(OUTFLOW)</u></b>			
<b><u>FROM OPERATING ACTIVITIES</u></b>	18	1901653	(2034218)
<b><u>RETURNS ON INVESTMENTS AND</u></b>			
<b><u>SERVICING OF FINANCE</u></b>			
Interest Received		51847	34721
Interest Paid		(235116)	(234695)
<b><u>Net Cash Outflow from Returns on</u></b>			
<b><u>Investments and Servicing of Finance</u></b>		(183269)	(199974)
<b><u>TAXATION</u></b>		(342668)	(51430)
<b><u>CAPITAL EXPENDITURE</u></b>			
Payments to Acquire Fixed Assets		(65198)	(15029)
Receipts from Sales of Fixed Assets		26000	9250
<b><u>Net Cash Outflow from</u></b>			
<b><u>Capital Expenditure</u></b>		(39198)	(5779)
<b><u>FINANCING</u></b>			
Repayment of Loans		(2983883)	(181096)
Receipts from New Loans		2227500	2197760
Capital Hire Purchase Repayments		(9665)	(20070)
<b><u>Net Cash (Outflow)/Inflow from Financing</u></b>		(766048)	1996594
<b><u>EQUITY DIVIDENDS PAID</u></b>		(250000)	--
<b><u>INCREASE/(DECREASE) IN CASH</u></b>		320470	(294807)
<b><u>RECONCILIATION OF NET CASH</u></b>			
<b><u>FLOW TO MOVEMENT IN NET DEBT</u></b>	19		
Increase/(Decrease) in Cash in the Year		320470	(294807)
Capital Hire Purchase Repayments		9665	20070
Repayment of Loans		2983883	181096
Receipts from New Loans		(2227500)	(2197760)
<b><u>Net Debt as at 1 October 1999/1998</u></b>		(3443113)	(1151712)
<b><u>Net Debt as at 30 September 2000/1999</u></b>		(2356595)	(3443113)

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 30 SEPTEMBER 2000**1. **PRINCIPAL ACCOUNTING POLICIES**a) **Accounting Convention**

The accounts are prepared under the historical cost convention.

b) **Depreciation**

Depreciation is calculated so as to write off the cost of the fixed assets on a reducing balance basis over their expected useful lives. The annual rates used are as follows: -

	<u>%</u>
Motor Vehicles	25
Equipment	25

c) **Stocks and Work in Progress**

Stocks and Work in Progress are valued at the lower of cost or net realisable value.

d) **Deferred Taxation**

No provision has been made for deferred taxation in respect of timing differences which are not expected to reverse in the future.

e) **Hire Purchase Commitments**

Assets obtained under Hire Purchase Contracts are capitalised in the Balance Sheet and depreciated over their useful lives. Interest is charged to the Profit and Loss Account over the period of the agreement.

f) **Pension Costs**

The company operates a money purchase pension scheme. Contributions for the year are charged to the Profit and Loss Account as paid.

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**PURELAKE NEW HOMES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2000**

2. **SHARE CAPITAL** **2000 and 1999**

Authorised - Ordinary Shares of £1 each	100
	—
Issued and Fully Paid - Ordinary Shares	100
	—

3. **SECURED CREDITORS**

All bank borrowings totalling £2371850 (1999 - £3476822) from Barclays Bank plc and are secured by a charge over developments in progress and a floating charge over other assets.

4. **CONTROLLING PARTY**

Mr and Mrs White, directors of the company, are the ultimate controlling parties.

5. **HOLDING COMPANY**

The company is a subsidiary of Purelake Properties Limited, a company incorporated in England. At 30 September 2000 the company owed £630955 (1999 - £500220) to the holding company in respect of loan advances which are repayable on demand.

The company paid interest on the loan at the rate it would pay interest to its bankers. The interest for the year ended 30 September 2000 amounted to £36187 (1999 - £17877).

Consolidated financial statements are not prepared as the group is entitled to exemption on the grounds that the group qualifies as medium sized.

6. **TRANSACTIONS WITH RELATED PARTIES/COMPANIES**

Purelake Investments Limited, a company incorporated in England, is a fellow subsidiary of Purelake Properties Limited. The company sold property to Purelake Investments Limited totalling £751000, which is based on an open market valuation of the property. At 30 September 2000, the company was owed £139872 by Purelake Investments Limited (1999 - £481438) in respect of loan advances which are repayable on demand.

The company charged interest at a commercial rate and for the year ended 30 September 2000 this amounted to £25509 (1999 - £27752).

B J White, a director of the company, is also a director of ITP Recruitment Limited, a company incorporated in England. During the year the company advanced £15000 to ITP Recruitments Limited which was still outstanding at 30 September 2000. The sum has since been repaid.

The company operates a Self Administered Pension Scheme. During the year the scheme loaned £85000 to the company which is still outstanding at the year end. The sum is repayable within five years and attracts interest at the commercial rate.

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 30 SEPTEMBER 2000****7. TANGIBLE FIXED ASSETS**

	<b>Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>COST</u></b>			
At 30 September 1999	103578	72084	175662
Additions	8092	57106	65198
	<hr/>	<hr/>	<hr/>
Disposals	111670	129190	240860
	15000	29384	44384
	<hr/>	<hr/>	<hr/>
At 30 September 2000	96670	99806	196476
	<hr/>	<hr/>	<hr/>
<b><u>DEPRECIATION</u></b>			
At 30 September 1999	47205	35605	82810
Charge for Year	8644	10478	19122
	<hr/>	<hr/>	<hr/>
Eliminated on Disposals	55849	46083	101932
	1000	17384	18384
	<hr/>	<hr/>	<hr/>
At 30 September 2000	54849	28699	83548
	<hr/>	<hr/>	<hr/>
<b><u>NET BOOK VALUE</u></b>			
At 30 September 2000	41821	71107	112928
	<hr/>	<hr/>	<hr/>
At 30 September 1999	56373	36479	92852
	<hr/>	<hr/>	<hr/>

**ASSETS ACQUIRED UNDER HIRE PURCHASE AGREEMENTS**

The total net book value of fixed assets includes £4902 (1999 - £16497) in respect of assets acquired under hire purchase agreements after charging depreciation for the year of £1634 (1999 - £5499).

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 30 SEPTEMBER 2000**

8.	<b><u>STOCKS</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
	Stocks and Developments in Progress	6773219	5836397
		<hr/>	<hr/>
9.	<b><u>DEBTORS</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
	Trade Debtors	188571	294666
	Taxation	153120	94065
	Prepayments	25067	13444
	Amounts Owed by Group Undertaking (Note 6)	139872	481438
	Amounts Owed by Related Company (Note 6)	15000	--
		<hr/>	<hr/>
		521630	883613
		<hr/>	<hr/>
10.	<b><u>CREDITORS</u></b> <b><u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
	Bank Loan Instalments	2156720	2998103
	Hire Purchase Instalments	530	9665
	Trade Creditors	526321	1020282
	Amounts Owed to Group Undertaking (Note 5)	630955	500220
	Corporation Tax	816591	310647
	Other Taxes and Social Security Costs	75482	335455
	Accruals	22552	22511
	Directors Current Account	17159	5445
		<hr/>	<hr/>
		4246310	5202328
		<hr/>	<hr/>
11.	<b><u>CREDITORS</u></b> <b><u>AMOUNTS FALLING DUE AFTER ONE YEAR</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
	Bank Loan Instalments	215130	215130
	Hire Purchase Instalments	--	530
	Other Loans (Note 6)	85000	--
		<hr/>	<hr/>
		300130	215660
		<hr/>	<hr/>

**PURELAKE NEW HOMES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2000**

12.	<b><u>OPERATING PROFIT</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
	Operating profit is stated after charging: -		
	Auditors Remuneration	26500	26450
	Depreciation	19122	30016
13.	<b><u>STAFF COSTS</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
	Directors Salaries	259058	448685
	Directors Pension Costs	55792	55892
	Other Salaries	327250	208003
	Social Security Costs	62379	73062
		704479	785642
		704479	785642

The average weekly number of employees during the year was made up as follows: -

	<b><u>2000</u></b>	<b><u>1999</u></b>
	<b><u>No.</u></b>	<b><u>No.</u></b>
Directors	3	3
Site Managers and Labourers	10	7
Office	5	4
	18	14
	18	14

14.	<b><u>DIRECTORS EMOLUMENTS</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
	Aggregate Emoluments	281179	469627
	Pension Contributions	55792	55892
		336971	525519
		336971	525519

The emoluments of the highest paid director are £216064 (1999 - £312879).

There are 2 directors benefiting from the Money Purchase Pension Scheme (1999 - 2). Contributions for the year relating to the highest paid director amounted to £31014 (1999 - £31014).

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 30 SEPTEMBER 2000**15. **TAXATION**

Corporation Tax has been charged on the profits for the year at a rate of 30% (1999 - 20.5%) and amounts to £848612 (1999 - £14574).

The charge in the Profit and Loss Account is made up as follows: -

	<b><u>2000</u></b>	<b><u>1999</u></b>
	£	£
Corporation Tax Payable 1 July 2001	816591	13144
Tax Deducted at Source on Interest Received	--	1430
Payment to Fellow Subsidiary for Surrender of Losses for the Year	32021	--
	<u>848612</u>	<u>14574</u>

If provision had been made for the potential amount of deferred taxation the tax charge for the year would have been £863162.

The potential deferred taxation not provided is made up as follows: -

	<b><u>2000</u></b>	<b><u>1999</u></b>
	£	£
Capital Allowances in Advance of Depreciation	14550	--
	<u>14550</u>	<u>--</u>

16. **OTHER OPERATING INCOME**

	<b><u>2000</u></b>	<b><u>1999</u></b>
	£	£
Rent Received	50300	18218
Bank Interest Received	24763	6556
Interest on the Late Completion of Sales	1575	413
Interest on Inter Company Loan (Note 6)	25509	27752
	<u>102147</u>	<u>52939</u>

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 30 SEPTEMBER 2000**

17.	<b><u>INTEREST PAYABLE AND SIMILAR CHARGES</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £		
	Bank Charges	36926	57483		
	Bank Overdraft and Loan Interest	153540	155848		
	Interest on Inter Company Loan (Note 5)	36187	17877		
	Hire Purchase Interest	1951	3076		
	Interest on Late Payment of Tax	6512	411		
		235116	234695		
		235116	234695		
18.	<b><u>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</u></b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £		
	Operating Profit	3120661	244970		
	Depreciation	19122	30016		
	Interest Received	(51847)	(34721)		
	Increase in Stocks and Work in Progress	(936822)	(2849062)		
	Decrease/(Increase) in Debtors	361983	(445484)		
	(Decrease)/Increase in Creditors	(611444)	1020063		
	Net Cash Inflow/(Outflow) from Operating Activities	1901653	(2034218)		
		1901653	(2034218)		
19.	<b><u>ANALYSIS OF CHANGES IN NET DEBT</u></b>				
		<b><u>As at</u></b> <b><u>30.09.99</u></b> £	<b><u>Cash</u></b> <b><u>Flow</u></b> £	<b><u>Other</u></b> <b><u>Movement</u></b> £	<b><u>As at</u></b> <b><u>30.09.00</u></b> £
	Bank and Cash Balances	(219685)	320470	--	100785
	Debt Due Within One Year	(3007768)	851048	(530)	(2157250)
	Debt Due After More Than One Year	(215660)	(85000)	530	(300130)
	Total	(3443113)	1086518	--	(2356595)
		(3443113)	1086518	--	(2356595)