

2695040

**PURELAKE NEW HOMES LIMITED**

**REPORT AND ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2004**

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**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 Accountancy Limited 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 31 DECEMBER 2004**

The directors have pleasure in presenting their report and the accounts for the year ended 31 December 2004.

**PRINCIPAL ACTIVITIES**

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

**REVIEW OF THE COMPANY'S BUSINESS**

The company completed a number of developments during the year and continued to take advantage of the strength of the housing market.

The company made a profit after taxation for the year of £1479450 (2003 - £1710175) which was transferred to reserves.

**DIVIDENDS**

No interim dividends were paid in the year (2003 - £Nil). No final dividend is recommended.

**PARENT COMPANY**

The company is a subsidiary of Purelake Properties Limited which owns 80% of the Ordinary Share Capital (2003 - 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  
2004 and 2003**

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

**Shares in Company****Ordinary Shares of £1 each  
2004 and 2003**

G A Dowd	
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**PURELAKE NEW HOMES LIMITED**

**REPORT OF THE DIRECTORS**

**YEAR ENDED 31 DECEMBER 2004**

**CHARITABLE AND POLITICAL DONATIONS**

The company contributed £3981 during the year (2003 - £2991) 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 Accountancy Limited, Registered Auditors, will be presented at the forthcoming Annual General Meeting.

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

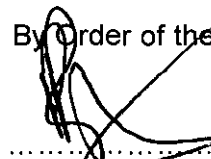
Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the result for that period.

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 31 December 2004 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.

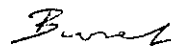
**Basis of Opinion**

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 Accountancy Limited  
Registered Auditors

17 October 2005

**PURELAKE NEW HOMES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2004**

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
<b><u>GROSS PROFIT</u></b>		4000584	3416580
<b><u>ADMINISTRATIVE EXPENSES</u></b>		1794296	853835
		<hr/> 2206288	<hr/> 2562745
<b><u>OTHER OPERATING INCOME</u></b>		99999	161386
<b><u>OPERATING PROFIT</u></b>	14	<hr/> 2306287	<hr/> 2724131
<b><u>INTEREST PAYABLE AND SIMILAR CHARGES</u></b>	18	186256	270130
<b><u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>		<hr/> 2120031	<hr/> 2454001

**PURELAKE NEW HOMES LIMITED**  
**PROFIT AND LOSS APPROPRIATION ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2004**

	<b><u>Note</u></b>	<b><u>2004</u></b> <b><u>£</u></b>	<b><u>2003</u></b> <b><u>£</u></b>
<b><u>PROFIT ON ORDINARY ACTIVITIES</u></b> <b><u>BEFORE TAXATION</u></b>		2120031	2454001
<b><u>TAXATION</u></b>	17	640581	743826
		—————	—————
<b><u>RETAINED PROFIT</u></b> for year		1479450	1710175
<b><u>RETAINED PROFIT</u></b> brought forward		6750665	5040490
<b><u>RETAINED PROFIT</u></b> carried forward		8230115	6750665
		—————	—————

**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 for the current and previous year.

**PURELAKE NEW HOMES LIMITED**  
**BALANCE SHEET - 31 DECEMBER 2004**

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	8	228776	277820
<b><u>CURRENT ASSETS</u></b>			
Stocks and Work in Progress	9	6120246	6875721
Debtors	10	6482249	4192941
Cash at Bank and in Hand		645397	135524
		<u>13247892</u>	<u>11204186</u>
<b><u>CREDITORS</u></b>			
<b><u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	11	5229453	4708028
<b><u>NET CURRENT ASSETS</u></b>		8018439	6496158
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<u>8247215</u>	<u>6773978</u>
<b><u>CREDITORS</u></b>			
<b><u>AMOUNTS FALLING DUE AFTER ONE YEAR</u></b>	12	--	1233
		<u>8247215</u>	<u>6772745</u>
<b><u>PROVISIONS FOR LIABILITIES AND CHARGES</u></b>	13	17000	21980
		<u>8230215</u>	<u>6750765</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called Up Share Capital	2	100	100
Profit and Loss Account		8230115	6750665
		<u>2230215</u>	<u>6750765</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

12/10/2005  
 .....  
 Date



**PURELAKE NEW HOMES LIMITED****CASH FLOW STATEMENT****YEAR ENDED 31 DECEMBER 2004**

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
<b><u>CASH INFLOW</u></b>			
<b><u>FROM OPERATING ACTIVITIES</u></b>	19	586605	2403430
<b><u>RETURNS ON INVESTMENTS AND</u></b>			
<b><u>SERVICING OF FINANCE</u></b>			
Interest Received	98151		159260
Interest Paid	(186256)		(270130)
<b><u>Net Cash Outflow from Returns on</u></b>			
<b><u>Investments and Servicing of Finance</u></b>		(88105)	(110870)
<b><u>TAXATION</u></b>		(871146)	(1155123)
<b><u>CAPITAL EXPENDITURE</u></b>			
Payments to Acquire Fixed Assets	(31113)	(31113)	(131460)
<b><u>FINANCING</u></b>			
Repayment of Loans	(1862184)		(4500062)
Receipts from New Loans	2807130		3804739
Capital Hire Purchase Repayments	(31314)		(63641)
<b><u>Net Cash Inflow/(Outflow) from Financing</u></b>		913632	(758964)
<b><u>INCREASE IN CASH</u></b>		509873	247013
<b><u>RECONCILIATION OF NET CASH</u></b>			
<b><u>FLOW TO MOVEMENT IN NET DEBT</u></b>	20		
Increase in Cash in the Year		509873	247013
Capital Hire Purchase Repayments		31314	63641
Repayment of Loans		1862184	4500062
Receipts from New Loans		(2807130)	(3804739)
<b><u>Net Debt as at 1 January 2004 / 2003</u></b>		(403759) (1801331)	1005977 (2807308)
<b><u>Net Debt as at 31 December 2004 / 2003</u></b>		(2205090)	(1801331)

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2004****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**

Provision is made for deferred taxation in respect of timing differences that have originated but not reversed by the Balance Sheet date.

**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 period are charged to the Profit and Loss Account as paid.

**PURELAKE NEW HOMES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2004**

2.	<b><u>SHARE CAPITAL</u></b>	<b><u>2004 and 2003</u></b>
	Authorised - Ordinary Shares of £1 each	100 —
	Issued and Fully Paid - Ordinary Shares	100 —

3. **SECURED CREDITORS**

Bank borrowings totalling £1495000 (2003 - £1053696) are from Barclays Bank plc and are secured by a fixed charge over specific developments in progress and a floating charge over all other assets.

Bank borrowings totalling £1354254 (2003 - £850612) are from National Westminster Bank plc and are secured by a fixed charge over one development in progress.

4. **CONTROLLING PARTY**

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

5. **HOLDING COMPANY**

The company is a subsidiary of Purelake Properties Limited, a company incorporated in England. At 31 December 2004 the company owed £411946 (2003 - £765696) 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 31 December 2004 amounted to £46115 (2003 - £43969).

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 properties to Purelake Investments Limited totalling £1881000 (2003 - £476000), which are based on open market valuations. The company also continued the major building work for Purelake Investments Limited and during the year completed sections which totalled £6931100 (2003 - £3188000). At 31 December 2004 the company was owed £6148029 by Purelake Investments Limited (2003 - £3566343) in respect of loan advances which are repayable on demand.

The company charged interest at a commercial rate and for the year ended 31 December 2004 this amounted to £76000 (2003 - £147499).

7. **PRIOR YEAR ADJUSTMENT**

Following an Inland Revenue enquiry during the year, the transfer of an investment property to Purelake Investments Limited in the period ended 31 December 2002 was increased by £160000. This is included in the turnover for the current year and properties sold to Purelake Investments Limited (see note 6).

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2004**8. **TANGIBLE FIXED ASSETS**

	<b><u>Equipment</u></b> £	<b><u>Motor Vehicles</u></b> £	<b><u>Total</u></b> £
<b><u>COST</u></b>			
At 31 December 2003	434524	108657	543181
Additions	31113	--	31113
	<u>465637</u>	<u>108657</u>	<u>574294</u>
Disposals	20973	10404	31377
At 31 December 2004	<u>444664</u>	<u>98253</u>	<u>542917</u>
<b><u>DEPRECIATION</u></b>			
At 31 December 2003	201375	63986	265361
Charge for Year	66035	14122	80157
	<u>267410</u>	<u>78108</u>	<u>345518</u>
Eliminated on Disposals	20973	10404	31377
At 31 December 2004	<u>246437</u>	<u>67704</u>	<u>314141</u>
<b><u>NET BOOK VALUE</u></b>			
At 31 December 2004	<u>198227</u>	<u>30549</u>	<u>228776</u>
At 31 December 2003	<u>233149</u>	<u>44671</u>	<u>277820</u>

**ASSETS ACQUIRED UNDER HIRE PURCHASE AGREEMENTS**

The total net book value of fixed assets includes £12032 (2003 - £106564) in respect of assets acquired under hire purchase agreements after charging depreciation for the year of £4011 (2003 - £35524).

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**PURELAKE NEW HOMES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2004**

9.	<b><u>STOCKS AND WORK IN PROGRESS</u></b>	<b><u>2004</u></b> £	<b><u>2003</u></b> £
	Stocks and Developments in Progress	6120246	6875721
		<hr/>	<hr/>
10.	<b><u>DEBTORS</u></b>	<b><u>2004</u></b> £	<b><u>2003</u></b> £
	Trade Debtors	218490	443206
	Taxation and Social Security Costs	44866	112333
	Prepayments	70864	71059
	Amounts Owed by Group Undertaking (Note 6)	6148029	3566343
		<hr/>	<hr/>
		6482249	4192941
		<hr/>	<hr/>
11.	<b><u>CREDITORS</u></b> <b><u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	<b><u>2004</u></b> £	<b><u>2003</u></b> £
	Bank Loan Instalments	2849254	1904308
	Hire Purchase Instalments	1233	31314
	Trade Creditors	1120740	1406028
	Amounts Owed to Group Undertaking (Note 5)	411946	765696
	Corporation Tax	299415	525000
	Other Taxes and Social Security Costs	488931	42486
	Accruals	33122	29330
	Directors Current Account	24812	3866
		<hr/>	<hr/>
		5229453	4708028
		<hr/>	<hr/>
12.	<b><u>CREDITORS</u></b> <b><u>AMOUNTS FALLING DUE AFTER ONE YEAR</u></b>	<b><u>2004</u></b> £	<b><u>2003</u></b> £
	Hire Purchase Instalments	--	1233
		<hr/>	<hr/>
13.	<b><u>PROVISIONS FOR LIABILITIES AND CHARGES</u></b>	<b><u>2004</u></b> £	<b><u>2003</u></b> £
	Provision for Deferred Taxation	17000	21980
		<hr/>	<hr/>

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2004**

14.	<b><u>OPERATING PROFIT</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Operating profit is stated after charging: -		
	Auditors Remuneration	41275	35800
	Depreciation	80157	67556
		<hr/>	<hr/>

15.	<b><u>STAFF COSTS</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Directors Salaries	1037000	237000
	Directors Pension Costs	52860	51242
	Other Salaries	675999	570076
	Social Security Costs	221823	93530
	Employees Pension Scheme	9632	9537
		<hr/>	<hr/>
		1997314	961385
		<hr/>	<hr/>

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

	<b><u>2004</u></b>	<b><u>2003</u></b>
	<b><u>No.</u></b>	<b><u>No.</u></b>
Directors	3	3
Site Managers and Labourers	13	13
Office	7	7
	<hr/>	<hr/>
	23	23
	<hr/>	<hr/>

16.	<b><u>DIRECTORS EMOLUMENTS</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Aggregate Emoluments	1063648	263754
	Pension Contributions	52860	51242
		<hr/>	<hr/>
		1116508	314996
		<hr/>	<hr/>

The emoluments of the highest paid director for the year are £539066 (2003 - £141776).

There are 2 directors benefiting from the Money Purchase Pension Scheme (2003 - 2). Contributions for the year relating to the highest paid director amounted to £31014 (2003 - £31014).

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2004**17. **TAXATION**

Corporation Tax has been charged on the profits for the year at a rate of 30% (2003 - 30%) and amounts to £626415 (2003 - £600000).

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

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Mainstream Corporation Tax Payable	626415	600000
Additional Corporation Tax for Prior Years	48000	--
Receipt from Parent Company for Surrender of Losses for the Year	(28854)	--
Payment to Fellow Subsidiary for Surrender of Losses for the Year	--	143696
Transfer (from)/to Deferred Taxation Provision	(4980)	130
	<u>640581</u>	<u>743826</u>

The deferred taxation charge provided for in the accounts is made up as follows: -

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Capital Allowances in Advance of Depreciation	17000	21980
	<u>17000</u>	<u>21980</u>

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2004**

18.	<b><u>INTEREST PAYABLE AND SIMILAR CHARGES</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Bank Charges	27191	28988
	Bank Overdraft and Loan Interest	109041	188647
	Interest on Inter Company Loan (Note 5)	46115	43969
	Hire Purchase Interest	3909	7438
	Other Interest Payable	--	1088
		<u>186256</u>	<u>270130</u>

19.	<b><u>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Operating Profit	2306287	2724131
	Depreciation	80157	67556
	Interest Received	(98151)	(159260)
	Decrease in Stocks and Work in Progress	755475	710556
	Increase in Debtors	(2289308)	(1194292)
	(Decrease)/Increase in Creditors	(167855)	254739
	Net Cash Inflow from Operating Activities	<u>586605</u>	<u>2403430</u>

20.	<b><u>ANALYSIS OF CHANGES IN NET DEBT</u></b>				
		<b><u>As at</u></b>	<b><u>Cash</u></b>	<b><u>Other</u></b>	<b><u>As at</u></b>
		<b><u>31.12.03</u></b>	<b><u>Flow</u></b>	<b><u>Movement</u></b>	<b><u>31.12.04</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
	Bank and Cash Balances	135524	509873	--	645397
	Debt Due Within One Year	(1935622)	(913632)	(1233)	(2850487)
	Debt Due After More Than One Year	(1233)	--	1233	--
	Total	<u>(1801331)</u>	<u>(403759)</u>	<u>--</u>	<u>(2205090)</u>