

Bondor Developments Limited
Directors' Report and Accounts
Year ended 31 July 1998

Company Registration No. 1788311 (England and Wales)



Bondor Developments Limited

Company Information

Directors

R J Daniels
M G Daniels
R J Daniels (II)
N Lewis
Mrs J D Daniels

Secretary

C P Fletcher

Company number

1788311

Registered office

50 St. Andrew Street
Hertford
Herts.
SG14 1JA

Business address

70 High Street
Stotfold
Herts
SG5 4LD

Auditors

BDO Stoy Hayward
50 St. Andrew Street
Hertford
Herts.
SG14 1JA

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Bondor Developments Limited

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Bondor Developments Limited

Directors' Report Year ended 31 July 1998

The directors present their report and accounts for the year ended 31 July 1998.

Directors

The following directors have held office since 1 August 1997:

R J Daniels
M G Daniels
R J Daniels (II)
N Lewis
Mrs J D Daniels

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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.

Principal activities and review of the business

The principal activities of the company continued to be that of developing properties and development consultancy.

The directors are satisfied with the results for the year and anticipate a reasonable forthcoming year.

Year 2000

The directors have considered the problem generally referred to as the 'Year 2000 problem' or the 'Millennium Bug' and are taking steps in the forthcoming period to ensure that the company's systems are Year 2000 compliant. The potential effect of the problem with regard to customers, suppliers and other relevant parties is not expected to be material and the directors are in the process of addressing these issues to minimise the risk of any adverse effect on the operation of the business. Future costs of minimising the risk of any adverse effect have not been quantified but these are not expected to be material.

Results and dividends

The results for the year are set out on page 4.

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 July 1998	1 August 1997
R J Daniels	21	21
M G Daniels	12	12
R J Daniels (II)	12	12
N Lewis	12	12
Mrs J D Daniels	19	19

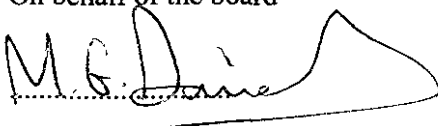
Bondor Developments Limited

**Directors' Report
Year ended 31 July 1998**

Auditors

A resolution will be proposed at the Annual General Meeting that BDO Stoy Hayward be reappointed as auditors to the company for the ensuing year.

On behalf of the board


.....

Bondor Developments Limited

Auditors' Report To the Shareholders of Bondor Developments Limited

We have audited the accounts on pages 4 to 12.

Respective responsibilities of directors and auditors

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

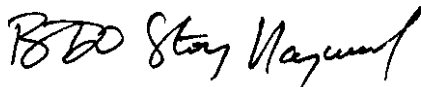
Basis of opinion

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 judgements 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 that 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 accounts give a true and fair view of the state of the company's affairs as at 31 July 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO Stoy Hayward

Chartered Accountants
Registered Auditors

Hertford



Bondor Developments Limited

Profit and Loss Account Year ended 31 July 1998

	Notes	1998 £	1997 £
Turnover	2	1,726,308	1,570,533
Cost of sales		(1,302,108)	(1,582,227)
Gross profit/(loss)		424,200	(11,694)
Administrative expenses		(485,092)	(657,612)
Other operating income		67,500	210,244
Operating profit/(loss)	3	6,608	(459,062)
Exceptional items	3	-	4,444,069
Profit on ordinary activities before interest		6,608	3,985,007
Other interest receivable and similar income	4	-	20,581
Interest payable and similar charges	5	-	(329,496)
Profit on ordinary activities before taxation		6,608	3,676,092
Tax on profit on ordinary activities	7	(2,083)	-
Profit for the year		4,525	3,676,092

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Bondor Developments Limited

**Statement of Total Recognised Gains and Losses
Year ended 31 July 1998**

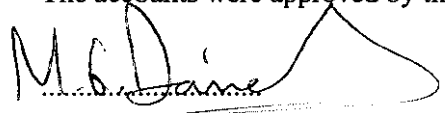
	1998 £	1997 £
Profit for the financial year	4,525	3,676,092
Unrealised (deficit)/surplus on revaluation of properties	-	1,658,335
Total recognised gains and losses relating to the year	<u>4,525</u>	<u>5,334,427</u>

Bondor Developments Limited

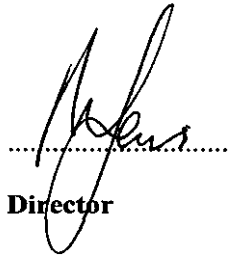
Balance Sheet As at 31 July 1998

	Notes	£	1998 £	£	1997 £
Fixed assets					
Investments	8		4,395,857		4,345,857
Current assets					
Stocks	9	18,333		-	
Debtors	10	6,331,305		5,808,288	
Cash at bank and in hand		83,203		356	
			<u>6,432,841</u>	<u>5,808,644</u>	
Creditors: amounts falling due within one year	11	(1,616,475)		(353,591)	
Net current assets			<u>4,816,366</u>		<u>5,455,053</u>
Total assets less current liabilities			<u>9,212,223</u>		<u>9,800,910</u>
Creditors: amounts falling due after more than one year					
	12		(8,581,106)		(9,174,318)
			<u>631,117</u>		<u>626,592</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account			631,017		626,492
Shareholders' funds - equity interests	14		<u>631,117</u>		<u>626,592</u>

The accounts were approved by the Board on 29-7-99



Director



Director

Bondor Developments Limited

Notes to the Accounts Year ended 31 July 1998

1 Accounting policies

1.1 Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stocks and work in progress

Development work in progress is valued at the lower of cost and net realisable value. Interest payable is charged to the profit and loss account when incurred.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method 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.

1.7 Group accounts

The accounts present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit/(loss)	1998	1997
	£	£
Operating profit/(loss) is stated after charging:		
Operating lease rentals	22,000	-
Auditors' remuneration	5,750	5,000
	<u> </u>	<u> </u>
4 Other interest receivable and similar income	1998	1997
	£	£
Other interest	-	20,581
	<u> </u>	<u> </u>

Bondor Developments Limited

Notes to the Accounts Year ended 31 July 1998

5	Interest payable and similar charges	1998	1997
		£	£
	On bank loans and overdrafts	-	329,496
		<hr/> <hr/>	<hr/> <hr/>
6	Employees		
	Number of employees		
	There were no employees during the year apart from the directors		
7	Taxation	1998	1997
		£	£
	U.K. current year taxation		
	Irrecoverable A.C.T.	2,083	-
		<hr/> <hr/>	<hr/> <hr/>

Bondor Developments Limited

Notes to the Accounts Year ended 31 July 1998

8 Fixed asset investments

	Unlisted investments	Shares in subsidiary undertakings	Total
	£	£	£
Cost			
At 1 August 1997	40,000	4,345,857	4,385,857
Additions	50,000	-	50,000
At 31 July 1998	90,000	4,345,857	4,435,857
Provisions for diminution in value			
At 1 August 1997 & at 31 July 1998	40,000	-	40,000
Net book value			
At 31 July 1998	50,000	4,345,857	4,395,857
At 31 July 1997	-	4,345,857	4,345,857

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
DCC (Milton Keynes) Limited	England and Wales	Ordinary	100
Echopoint Limited	England and Wales	Ordinary	100
Designaztec Limited	England and Wales	Ordinary	25

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
DCC (Milton Keynes) Limited	(2,610,160)	(3,384)
Echopoint Limited	6,697,161	(7,344)
Designaztec Limited	-	-

Bondor Developments Limited

Notes to the Accounts Year ended 31 July 1998

The company also controls The Linford Wood Partnership, which has made accounts up to the year ended 31 May 1997. The Partnership is a subsidiary undertaking as defined by the Companies Act 1985 and Financial Reporting Standard No 2. The principal activity of the Partnership is general building development and the address of its principal place of business is 70 High Street, Stotfold, Hitchin.

The accounting reference dates of DCC (Milton Keynes) Limited and The Linford Wood Partnership are not co-terminous with the accounting reference date of the parent company since, in the opinion of the directors, the benefits of retaining different accounting reference dates outweigh those that would be generated from having co-terminous dates.

As stated in the 1997 accounts the assets and trade of Bondor Estates Limited, New British Gardens Estates Limited and June Fashions Limited were transferred to the company. In March 1999 applications were made to strike the companies off the register held at Companies House.

9 Work in progress	1998	1997
	£	£
Work in progress	18,333	-
	<u>18,333</u>	<u>-</u>

10 Debtors	1998	1997
	£	£
Trade debtors	121,903	71,101
Amounts owed by subsidiary undertakings	4,565,247	4,423,279
ACT recoverable	82,500	-
Other debtors	1,556,911	1,311,154
Prepayments and accrued income	4,744	2,754
	<u>6,331,305</u>	<u>5,808,288</u>

Included in other debtors is an amount due from R J Daniels, a director of the company, totalling £100,455. This was the maximum overdrawn balance during the year.

Also included in other debtors is an amount due from an officer of the company totalling £28,933.

11 Creditors: amounts falling due within one year	1998	1997
	£	£
Bank loans and overdrafts	-	800
Trade creditors	12,912	102,787
Taxes and social security costs	82,500	-
Other creditors	624,813	210,509
Accruals and deferred income	896,250	39,495
	<u>1,616,475</u>	<u>353,591</u>

Bondor Developments Limited

Notes to the Accounts Year ended 31 July 1998

12 Creditors: amounts falling due after more than one year	1998	1997
	£	£
Amounts due to related undertakings	6,397,204	6,404,290
Other creditors	2,183,902	2,770,028
	<u>8,581,106</u>	<u>9,174,318</u>
13 Share capital	1998	1997
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
14 Reconciliation of movements in shareholders' funds	1998	1997
	£	£
Profit for the financial year	4,525	3,676,092
Opening shareholders' funds	626,592	(3,049,500)
	<u>631,117</u>	<u>626,592</u>

15 Financial commitments

At 31 July 1998 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1998	1997
	£	£
Expiry date:		
In over five years	<u>22,000</u>	<u>-</u>

Bondor Developments Limited

Notes to the Accounts Year ended 31 July 1998

16 Related party transactions

Amounts included in other debtors and other creditors include balances with companies in which directors have interests through their shareholdings. The balances with these companies were as follows:

Other debtors	1998 £	1997 £
Richard Daniels Developments Limited	695,461	680,077
Richard Daniels (Hitchin) Limited	75,869	364,149
OSL Developments Limited	74,244	55,000
	<hr/>	<hr/>
Other creditors		
Newton Byre Construction Limited	322,762	0
Richard Daniels Homes Limited	1,832,902	2,415,027
Newton Byre Limited	184,716	41,953
	<hr/>	<hr/>

During the year the company purchased construction services from Richard Daniels Homes Limited and Newton Byre Construction Limited, under normal commercial terms, amounting to £19,944 (1997 - £1,279,874) and £396,315 (1997 - £Nil) respectively.

A management charge was made by Richard Daniels Homes Limited totalling £274,447 and management income was received from Newton Byre Construction Limited totalling £67,500 during the year

Also during the year, loans were made to the following directors and connected persons of the company:

	£
M.G. Daniels	28,933
R.J. Daniels (II)	28,933
Mrs. J.D. Daniels	45,811
Mrs. H. Lewis	28,933
R.J. Daniels	50,633