

Ellmer Homes Limited
Financial Statements
for the period 22nd August 1997 to 31st May 1998



Company No. 3423607 Registered in England and Wales

Ellmer Homes Limited

Contents

	<u>Pages</u>
Company information	1
Report of the directors	2 - 3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 9

Ellmer Homes Limited

Company Information

Directors:	John Joseph Byrne, Esq. Patrick Anthony Byrne, Esq. Peter Dwight, Esq. Gary Martyn Hull, Esq. Anthony Martin Dowle, Esq.
Secretary:	Patrick Anthony Byrne, Esq.
Registered Office:	15 White Hart Lane Barnes London SW13 0PX
Company Number:	3423607
Auditors:	Riordan O'Sullivan & Co. Chartered Certified Accountants Registered Auditors 40 Chamberlayne Road London NW10 3JE
Bankers:	Allied Irish Bank (GB) 14 Neeld Parade Wembley Hill Road Wembley Middlesex HA9 6SW
Solicitors:	Rowley Ashworth 247 The Broadway Wimbledon London SW19 1SE

Ellmer Homes Limited

Report of the directors

for the period ended 31st May 1998

The directors present their first report and audited financial statements for the company covering the period from incorporation on 22nd August 1997 to 31st May 1998.

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 judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business;
- confirm that accounting standards have been followed.

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.

Principal activity

The company's principal activity is that of property development.

First period of trading

The company was incorporated on 22nd August 1997 and commenced trading on 22nd August 1997. The first period of trading covers the nine months to 31st May 1998 and comparative figures do not apply.

Business review

The company made a satisfactory operating profit of £24,107 in its first period of trading and achieved a very encouraging turnover of £2,563,700. We project similar results for the year to 31st May 1999.

Year 2000

The directors have assessed the risks to the business resulting from the change to the year 2000 and estimate that the company will not incur any costs directly. We have also assessed the possibility of year 2000 related failures in our significant customers and suppliers, all of whom inform us that they are already dealing with the problem.

Ellmer Homes Limited

Report of the directors (continued)

for the period ended 31st May 1998

Directors and their interests

The directors during the period and at the balance sheet date and their interests in shares are set out below:

<u>Director</u>	<u>Interest in £1 ordinary shares at 31st May 1998</u>
P. A. Byrne, Esq.	-
J. J. Byrne, Esq.	-
P. Dwight, Esq.	-
G. M. Hull, Esq.	-
A. M. Dowle, Esq.	-

P. A. Byrne, Esq. and J. J. Byrne, Esq. jointly hold 100% of the issued share capital of Byrne Group plc., which is the ultimate holding company of Ellmer Homes Limited. By virtue of these shareholdings, P. A. Byrne Esq. and J. J. Byrne Esq., have beneficial interest in the entire share capital of this company.

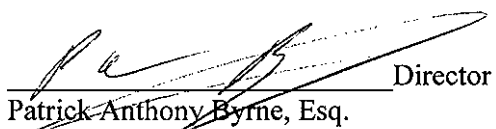
Close company status

The company is a close company within the provisions of the Income and Corporation Tax Act 1988.

Auditors

The auditors have expressed their willingness to continue as auditors and their re-appointment will be discussed at the first annual general meeting.

This report was approved by the board on 14th December 1998 and signed on its behalf.

 Director
Patrick Anthony Byrne, Esq.

Auditors' Report to the Shareholders
of Ellmer Homes Limited

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 an 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 judgments 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 consider 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 the company's affairs at 31st May 1998 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Riordan O'Sullivan & Co.

Riordan O'Sullivan & Co.
Chartered Certified Accountants
Registered Auditors
40 Chamberlayne Road
London
NW10 3JE

14th December 1998

Ellmer Homes Limited
Profit and Loss Account
for the period to 31st May 1998

	<u>Notes</u>	<u>1998</u> <u>£</u>
Turnover	2	2,563,700
Cost of sales		(2,471,093)
Gross profit		<u>92,607</u>
Administrative expenses		(68,500)
Operating profit on ordinary activities before taxation		<u>24,107</u>
Taxation	3	(5,062)
Retained profit for the period		<u><u>19,045</u></u>

All of the above results were derived from operations that are continuing.

Statement of total recognised gains and losses

There were no recognised gains or losses other than the profit for the above financial period.

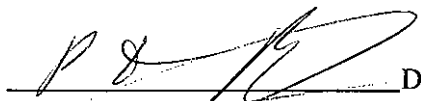
The notes on pages 8 and 9 form part of these financial statements.

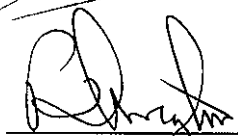
Ellmer Homes Limited

Balance Sheet as at 31st May 1998

	Notes	1998 £
Current assets		
Stocks	4	581,700
Debtors	5	186,550
		768,250
Creditors: -amounts falling due within one year	6	(749,105)
Net current assets		19,145
Net assets		<u>19,145</u>
 Capital and reserves		
Called up share capital	7	100
Profit and loss account		19,045
Shareholders' funds - all equity		<u>19,145</u>

Approved by the board on 14th December 1998
and signed on its behalf by:

 Director
Patrick Anthony Byrne, Esq.

 Director
Peter Dwight, Esq.

The notes on pages 8 and 9 form part of these financial statements.

Ellmer Homes Limited

Cash Flow Statement

for the period ended 31st May 1998

	<u>1998</u>
	<u>£</u>
Reconciliation of operating profit to net cash outflow from operating activities	
Operating profit	24,107
Increase in stocks	(581,700)
Increase in debtors	(186,550)
Increase in creditors	744,043
Net cash outflow from operating activities	(100)
Returns on investments and servicing of finance	-
Taxation	-
Capital expenditure and financial investment	-
Financing	
Issue of ordinary shares	100
Movement in cash	<u><u>-</u></u>

The notes on pages 8 and 9 form part of these financial statements.

Ellmer Homes Limited

Notes to the Financial Statements

for the period ended 31st May 1998

1. Accounting policies

Basis of preparation of financial statements:

The financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention.

Comparative figures:

The financial statements cover the period from the date of incorporation on 22nd August 1997 to 31st May 1998. Accordingly no comparative figures apply. Trading commenced on 22nd August 1997.

Stocks:

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

2. Turnover

Turnover represents the sale of developments, exclusive of value added tax. All sales were made in the United Kingdom.

3. Taxation

1998

£

Tax on profits on ordinary activities:

UK corporation tax at 21%

5,062

4. Stocks

£

Development land

177,500

Completed developments

404,200

581,700

5. Debtors

£

Trade debtors

186,450

Amounts owed by group undertaking

100

186,550

Ellmer Homes Limited
Notes to the Financial Statements
for the period ended 31st May 1998

6. Creditors: amounts falling due within one year	<u>1998</u> £
Amounts due to group undertaking	743,043
Accruals and deferred income	1,000
Corporation tax	5,062
	<u>749,105</u>
 7. Called up share capital	 £
Authorised: Ordinary shares of £1 each	<u>500,000</u>
Allotted: Ordinary shares of £1 each fully paid	<u>100</u>
On 22nd August 1997, 100 ordinary shares of £1.00 each (having an aggregate nominal value of £100) were issued at £1.00 each. The company received £100 in consideration for the allotment.	

8. Post balance sheet events

There were no events since the period end which materially affected the company.

9. Related party transactions

At 31st May 1998 the company owed £743,043 to F.B. Ellmer Limited, a fellow subsidiary.