

Ellmer Homes Limited
Directors' report and financial statements
for the year ended 31st May 2007



Registration number 3423607 (England and Wales)

Ellmer Homes Limited

Company information

Directors	P A Byrne, Esq J J Byrne, Esq A M Dowle, Esq G M Hull, Esq
Secretary	P A Byrne, Esq
Company number	3423607 (England and Wales)
Registered office and Business address	Tudor House 26 Upper Teddington Road Hampton Wick Kingston Upon Thames KT1 4DY
Auditors	Riordan O'Sullivan & Co Chartered Certified Accountants Registered Auditors 40 Chamberlayne Road London NW10 3JE
Bankers	Allied Irish Bank Plc 33 - 35 Wembley Hill Road Middlesex HA9 8AS
Solicitors	Ashworths 53 St Georges Road Wimbledon London SW19 4EA

Ellmer Homes Limited

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Ellmer Homes Limited

Directors' report for the year ended 31st May 2007

The directors present their report and the financial statements for the year ended 31st May 2007

Principal activity

The company's principal activity continues to be that of property development

The company completed most of its developments during the year. Since the date of the balance sheet the company has sold a number of its completed units and has repaid the bank loan in full. It has a small number of properties for sale and expects to realise the cash from these sales in the next few months.

Trading results

The company incurred a loss after tax for the year of £141,499 (2006 £310,784)

Close company status

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

Directors and their interests

The directors of the company, all of whom served throughout the year, are set out on the company information page

The interests of P A Byrne, Esq and J J Byrne, Esq in the share capital of the ultimate parent company, Byrne Group Plc, can be found in that company's financial statements

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and 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

Ellmer Homes Limited

**Directors' report
for the year ended 31st May 2007**

continued

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on the company information page, confirm the following

- so far as the director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

The company has reappointed the auditors, Riordan O'Sullivan & Co, under Section 386(1) of the Companies Act 1985 by virtue of an elective resolution passed by the members on 1st December 2000

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

This report was approved by the Board on 30th October 2007 and signed on its behalf by



**P. A. Byrne, Esq.
Director**

Ellmer Homes Limited

Independent auditors' report to the shareholders of Ellmer Homes Limited

We have audited the financial statements of Ellmer Homes Limited for the year ended 31st May 2007 on pages 5 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

Ellmer Homes Limited

**Independent auditors' report to the shareholders of
Ellmer Homes Limited**

continued

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st May 2007 and of its loss and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Riordan O'Sullivan & Co.

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

Dated: 30th October 2007

Ellmer Homes Limited

**Profit and loss account
for the year ended 31st May 2007**

		Continuing operations	
		2007	2006
	Notes	£	£
Turnover	2	4,837,775	1,969,000
Cost of sales		(4,984,988)	(2,306,059)
Gross loss		(147,213)	(337,059)
Administrative expenses		(57,181)	(107,143)
Operating loss	3	(204,394)	(444,202)
Interest receivable		2,339	555
Loss on ordinary activities before taxation		(202,055)	(443,647)
Taxation on ordinary activities	5	60,556	132,863
Loss on ordinary activities after taxation being the revenue deficit for the year		<u>(141,499)</u>	<u>(310,784)</u>

There are no recognised gains or losses other than those dealt with in the profit and loss account

The notes on pages 8 to 12 form an integral part of these financial statements.

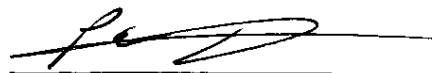
Ellmer Homes Limited

**Balance sheet
as at 31st May 2007**

		2007		2006	
	Notes	£	£	£	£
Current assets					
Stocks	6	4,612,000		6,861,350	
Debtors	7	942,028		398,504	
Cash at bank and in hand		41,593		350,685	
		<u>5,595,621</u>		<u>7,610,539</u>	
Creditors: amounts falling due within one year	8	<u>(5,533,690)</u>		<u>(5,407,109)</u>	
Net current assets			61,931		2,203,430
Total assets less current liabilities			61,931		2,203,430
Creditors: amounts falling due after more than one year	9		-		(2,000,000)
Net assets			<u>61,931</u>		<u>203,430</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account			61,831		203,330
Equity shareholders' funds	11		<u>61,931</u>		<u>203,430</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies

The financial statements were approved by the Board on 30th October 2007 and signed on its behalf by


P. A. Byrne, Esq.
Director


A. M. Dowle, Esq.
Director

The notes on pages 8 to 12 form an integral part of these financial statements.

Ellmer Homes Limited

**Cash flow statement
for the year ended 31st May 2007**

	Notes	2007 £	2006 £
Reconciliation of operating loss to net cash inflow from operating activities			
Operating loss		(204,394)	(444,202)
Decrease in stocks		2,249,350	260,936
Increase in debtors		(615,831)	(208,915)
Increase in creditors		133,386	816,397
Net cash inflow from operating activities		<u>1,562,511</u>	<u>424,216</u>

Cash flow statement

Net cash inflow from operating activities		1,562,511	424,216
Returns on investments and servicing of finance	17	2,339	555
Taxation	17	132,863	(3,033)
		<u>1,697,713</u>	<u>421,738</u>
Financing	17	(2,006,805)	(137,307)
(Decrease)/increase in cash in the year		<u>(309,092)</u>	<u>284,431</u>

Reconciliation of net cash flow to movement in net debt (note 18)

(Decrease)/increase in cash in the year	(309,092)	284,431
Cash outflow from decrease in debts and lease financing	2,006,805	137,307
Change in net debt resulting from cash flows	<u>1,697,713</u>	<u>421,738</u>
Net debt at 1st June 2006	(4,166,983)	(4,588,721)
Net debt at 31st May 2007	<u>(2,469,270)</u>	<u>(4,166,983)</u>

Ellmer Homes Limited

Notes to the financial statements for the year ended 31st May 2007

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents the proceeds from the sale of completed developments, exclusive of value added tax

1.3 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes purchase price of development land, development costs and capitalised interest. Net realisable value is based on estimated selling price less further costs to completion and selling costs.

2. Turnover

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

3. Operating loss

2007	2006
£	£

Operating loss is stated after charging

Auditors' remuneration	6,000	6,000
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4. Employees

Number of employees

2007	2006
Number	Number

The average monthly numbers of employees (including the directors) during the year were

Directors	4	4
Administrative and technical	2	3
	6	7

Employment costs

Employee costs, excluding directors, during the year comprise

2007	2006
£	£

Wages and salaries	119,034	212,245
Social security costs	14,978	23,912
Redundancy costs	30,000	13,500
	164,012	249,657

All of the directors were remunerated by other group undertakings

Ellmer Homes Limited

**Notes to the financial statements
for the year ended 31st May 2007**

continued

5. Taxation on ordinary activities

Analysis of charge in the year	2007	2006
	£	£
Current tax		
UK corporation tax refund	(60,556)	(132,863)
Tax refund on losses on ordinary activities	<u>(60,556)</u>	<u>(132,863)</u>

Current tax reconciliation	2007	2006
	£	£
Losses on ordinary activities before taxation	<u>(202,055)</u>	<u>(443,647)</u>
 Theoretical tax @ 30% (2006 30%)	 -	 -
Utilisation of tax losses	<u>(60,556)</u>	<u>(132,863)</u>
Current tax refund for the year	<u>(60,556)</u>	<u>(132,863)</u>

6. Stocks	2007	2006
	£	£
Completed developments	3,882,000	917,000
Development work in progress	-	5,214,350
Development land	<u>730,000</u>	<u>730,000</u>
	<u>4,612,000</u>	<u>6,861,350</u>

7. Debtors	2007	2006
	£	£
Trade debtors	851,253	200,000
Other debtors	87,507	195,732
Prepayments	<u>3,268</u>	<u>2,772</u>
	<u>942,028</u>	<u>398,504</u>

Ellmer Homes Limited

**Notes to the financial statements
for the year ended 31st May 2007**

continued

8. Creditors: amounts falling due within one year	2007 £	2006 £
Bank loans (secured)	2,510,863	2,517,668
Trade creditors	487,435	154,578
Amounts owed to group undertaking	2,378,667	2,613,616
Other taxes and social security costs	26,428	5,486
Other creditors	6,172	5,776
Accruals	124,125	109,985
	<u>5,533,690</u>	<u>5,407,109</u>
The bank loans are repayable on demand and secured by		
(i) Mortgage debenture over all the assets of Ellmer Homes Limited		
(ii) First legal charges over certain freehold development properties owned by Ellmer Homes Limited		
9. Creditors: amounts falling due after more than one year	2007 £	2006 £
Amount owed to group undertaking	-	2,000,000
10. Share capital	2007 £	2006 £
Authorised equity		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid equity		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
11. Reconciliation of movements in shareholders' funds	2007 £	2006 £
Loss for the year	(141,499)	(310,784)
Opening shareholders' funds	<u>203,430</u>	<u>514,214</u>
Closing shareholders' funds	<u>61,931</u>	<u>203,430</u>
12. Capital commitments		
There were no capital commitments either authorised or contracted for at the balance sheet date (2006 £Nil)		

Ellmer Homes Limited

Notes to the financial statements for the year ended 31st May 2007

continued

13. Transactions with directors

During the year, the company sold 5 plots of completed units to one of the directors, P A Byrne, Esq on the armed length market value of £2,260,000 and at the balance sheet date no amount was outstanding

14. Related party transactions

At the balance sheet date the following amounts were owed to fellow group companies

	2007 £	2006 £
Byrne Group Plc	-	(2,000,000)
F B Ellmer Limited	(2,378,667)	(2,613,616)
	<u>(2,378,667)</u>	<u>(4,613,616)</u>

The company has taken advantage of the exemption in the Financial Reporting Standard Number 8 from the requirement to disclose those transactions with group companies that are included in the consolidated financial statements prepared by the ultimate parent undertaking

15. Post balance sheet events

There were no events since the year end which materially affected the company

16. Ultimate parent undertaking

In the opinion of the directors, Byrne Group Plc is the company's ultimate parent undertaking

The consolidated financial statements of Byrne Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ

17. Gross cash flows

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	<u>2,339</u>	<u>555</u>
Taxation		
Corporation tax refund/(paid)	<u>132,863</u>	<u>(3,033)</u>
Financing		
New short term bank loan	497,195	2,517,668
Repayment of other long term loans	(2,000,000)	-
Repayment of short term bank loan	<u>(504,000)</u>	<u>(2,654,975)</u>
	<u>(2,006,805)</u>	<u>(137,307)</u>

Ellmer Homes Limited

**Notes to the financial statements
for the year ended 31st May 2007**

continued

18. Analysis of changes in net debts

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	350,685	(309,092)	41,593
Debts due within one year	(2,517,668)	6,805	(2,510,863)
Debts due after one year	(2,000,000)	2,000,000	-
	<u>(4,517,668)</u>	<u>2,006,805</u>	<u>(2,510,863)</u>
Net debts	<u><u>(4,166,983)</u></u>	<u><u>1,697,713</u></u>	<u><u>(2,469,270)</u></u>