

Ellmer Homes Limited
Directors' report and financial statements
for the year ended 31st May 2008

THURSDAY



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COMPANIES HOUSE

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	38-42 Hampton Road Teddington Middlesex TW11 0JE
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 Wembley 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 2008

The directors present their report and the financial statements for the year ended 31st May 2008.

Principal activity and review of business

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

The company sold over 60% of the stocks of completed units held during the year. However, the current instability in the housing market is proving more challenging. This is due the emergence of the credit crunch which started in the latter part of 2007.

The company is cautiously optimistic about the forthcoming year and is actively looking to crystallise sales on the outstanding properties.

Trading results

The loss on ordinary activities before taxation for the year was £193,551 (2007 : £202,055). This includes the write back of a loan indebtedness waived by a fellow group undertaking amounting to £245,000 (2007 : £Nil).

Close company status

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

Directors

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

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 period. In preparing these financial statements, 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 2008**

..... continued

Disclosure of information to auditors

The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as each director is aware, there is no relevant audit information, 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 himself aware of any relevant audit information 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 3rd December 2008 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 2008 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 2008 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: 3rd December 2008

Ellmer Homes Limited

**Profit and loss account
for the year ended 31st May 2008**

		Continuing operations	
		2008	2007
	Notes	£	£
Turnover	2	2,668,780	4,837,775
Cost of sales		(3,099,526)	(4,984,988)
Gross loss		(430,746)	(147,213)
Administrative expenses		(8,585)	(57,181)
Operating loss	3	(439,331)	(204,394)
Exceptional item	4	245,000	-
Loss on ordinary activities before interest		(194,331)	(204,394)
Interest receivable		780	2,339
Loss on ordinary activities before taxation		(193,551)	(202,055)
Taxation on ordinary activities	6	130,103	60,556
Loss on ordinary activities after taxation being the revenue deficit for the year		<u>(63,448)</u>	<u>(141,499)</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 2008

		2008		2007	
	Notes	£	£	£	£
Current assets					
Stocks	7	1,559,500		4,612,000	
Debtors	8	353,405		942,028	
Cash at bank and in hand		85,799		41,593	
		<u>1,998,704</u>		<u>5,595,621</u>	
Creditors: amounts falling due within one year	9	<u>(2,000,221)</u>		<u>(5,533,690)</u>	
Net current (liabilities)/assets			<u>(1,517)</u>		<u>61,931</u>
Total assets less current liabilities being net (liabilities)/assets			<u>(1,517)</u>		<u>61,931</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account			<u>(1,617)</u>		<u>61,831</u>
Equity shareholders' funds	11		<u>(1,517)</u>		<u>61,931</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 3rd December 2008 and signed on its behalf by:



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 2008**

	Notes	2008 £	2007 £
Reconciliation of operating loss to net cash inflow from operating activities			
Operating loss		(439,331)	(204,394)
Decrease in stocks		3,052,500	2,249,350
Decrease/(increase) in debtors		658,170	(615,831)
(Decrease)/increase in creditors		(1,022,606)	133,386
Net cash inflow from operating activities		<u>2,248,733</u>	<u>1,562,511</u>

Cash flow statement

Net cash inflow from operating activities		2,248,733	1,562,511
Returns on investments and servicing of finance	16	780	2,339
Taxation	16	60,556	132,863
Group indebtedness waived	16	245,000	-
		<u>2,555,069</u>	<u>1,697,713</u>
Financing	16	(2,510,863)	(2,006,805)
Increase/(decrease) in cash in the year		<u>44,206</u>	<u>(309,092)</u>

Reconciliation of net cash flow to movement in net funds (note 17)

Increase/(decrease) in cash in the year		44,206	(309,092)
Cash outflow from decrease in debts and lease financing		2,510,863	2,006,805
Change in net debt resulting from cash flows		2,555,069	1,697,713
Net debt at 1st June		<u>(2,469,270)</u>	<u>(4,166,983)</u>
Net funds at 31st May		<u>85,799</u>	<u>(2,469,270)</u>

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

Ellmer Homes Limited

Notes to the financial statements for the year ended 31st May 2008

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 developed properties, exclusive of value added tax.

1.3. Stocks

Stocks consist of development land and developed units. They are valued at the lower of cost and net realisable value.

1.4. Going concern

The financial statements have been prepared on a going concern basis which assumes the continued support of the holding company and its subsidiaries, and the bank.

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

2008

2007

£

£

Operating loss is stated after charging:

Auditors' remuneration

4,000

4,200

4. Exceptional item

2008

2007

£

£

Loan indebtedness waived by fellow group undertaking

245,000

-

Ellmer Homes Limited

Notes to the financial statements for the year ended 31st May 2008

..... continued

5. Employees

There were no employees during the year apart from the directors.

Number of employees

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

	2008 Number	2007 Number
Directors	4	4
Administrative and technical	-	2
	<u>4</u>	<u>6</u>

Employment costs

Employee costs, excluding directors, during the year comprise:

	2008 £	2007 £
Wages and salaries	-	119,034
Social security costs	-	14,978
Redundancy costs	-	30,000
	<u>-</u>	<u>164,012</u>

All of the directors were remunerated by other group undertakings.

6. Taxation on ordinary activities

Analysis of charge in the year

	2008 £	2007 £
Current tax		
UK corporation tax refund for losses surrendered	(130,103)	(60,556)
Tax refund on losses on ordinary activities	<u>(130,103)</u>	<u>(60,556)</u>

Current tax reconciliation

	2008 £	2007 £
Losses on ordinary activities before taxation	<u>(193,551)</u>	<u>(202,055)</u>
Theoretical tax @ 30% (2007 : 30%)	-	-
Utilisation of tax losses	<u>(130,103)</u>	<u>(60,556)</u>
Current tax refund for the year	<u>(130,103)</u>	<u>(60,556)</u>

Ellmer Homes Limited

**Notes to the financial statements
for the year ended 31st May 2008**

..... continued

7. Stocks	2008	2007
	£	£
Completed developments	829,500	3,882,000
Development land	730,000	730,000
	<u>1,559,500</u>	<u>4,612,000</u>

8. Debtors	2008	2007
	£	£
Trade debtors	188,830	851,253
Other debtors	162,915	87,507
Prepayments	1,660	3,268
	<u>353,405</u>	<u>942,028</u>

9. Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loans (secured)	-	2,510,863
Trade creditors	48,099	487,435
Amounts owed to group undertaking	1,915,247	2,378,667
Other taxes and social security costs	-	26,428
Other creditors	-	6,172
Accruals	36,875	124,125
	<u>2,000,221</u>	<u>5,533,690</u>

The bank loans are repayable on demand and secured by:

(i) Mortgage debenture over all of the company's assets.

(ii) First legal charges over certain freehold development properties owned by the company.

10. Share capital	2008	2007
	£	£
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>

Ellmer Homes Limited

Notes to the financial statements for the year ended 31st May 2008

..... continued

11. Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Loss for the year	(63,448)	(141,499)
Opening shareholders' funds	61,931	203,430
Closing shareholders' funds	<u>(1,517)</u>	<u>61,931</u>

12. Capital commitments

There were no capital commitments either authorised or contracted for at the balance sheet date (2007:£Nil).

13. Related party transactions

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

	2008	2007
	£	£
F.B. Ellmer Limited	<u>(1,915,247)</u>	<u>(2,378,667)</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.

14. Post balance sheet events

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

15. 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.

Ellmer Homes Limited

**Notes to the financial statements
for the year ended 31st May 2008**

..... continued

16. Gross cash flows

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	780	2,339
	<u>780</u>	<u>2,339</u>
Taxation		
Corporation tax refund	60,556	132,863
	<u>60,556</u>	<u>132,863</u>
Capital expenditure		
Group indebtedness waived	245,000	-
	<u>245,000</u>	<u>-</u>
Financing		
New short term bank loan	-	497,195
Repayment of other long term loans	-	(2,000,000)
Repayment of short term bank loan	(2,510,863)	(504,000)
	<u>(2,510,863)</u>	<u>(2,006,805)</u>

17. Analysis of changes in net debts

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	41,593	44,206	85,799
Debts due within one year	(2,510,863)	2,510,863	-
	<u>(2,469,270)</u>	<u>2,555,069</u>	<u>85,799</u>
Net debts	<u>(2,469,270)</u>	<u>2,555,069</u>	<u>85,799</u>