

QUAYSIDE HOMES LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

29 FEBRUARY 2004



QUAYSIDE HOMES LIMITED

FINANCIAL STATEMENTS

For the period ended 29 FEBRUARY 2004

Company registration number: 4780607

Registered office: Hardy's Yard
London Road
Riverhead
Sevenoaks
Kent
TN13 2DN

Administrative office: Hardy's Yard
London Road
Riverhead
Sevenoaks
Kent
TN13 2DN

Directors: M McGuirk
G A Ravenscroft

Secretary: G A Ravenscroft

Bankers: NatWest Bank plc
67 High Street
Sevenoaks
Kent
TN13 1LA

Auditors: Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

QUAYSIDE HOMES LIMITED

FINANCIAL STATEMENTS

For the period ended 29 FEBRUARY 2004

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QUAYSIDE HOMES LIMITED

REPORT OF THE DIRECTORS

The company was incorporated on 29 May 2003 as Greatspring Limited. On 2 September 2003 the company changed its name to Quayside Homes Limited.

The company commenced trading on 14 January 2004; the directors therefore present their first set of accounts with no comparative figures for the 47 days ended 29 February 2004.

Business review

The company's principal activity is the development and sale of real estate.

The financial results are set out in the profit and loss account. The retained loss for the financial period of £7,200 has been carried forward.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The membership of the Board during the period is set out below.

Ordinary shares of £1 each
29 February
2004

M McGuirk (appointed 17 June 2003)	-
G A Ravenscroft (appointed 17 June 2003)	-
Instant Companies Limited (appointed 29 May 2003; resigned 17 June 2003)	-

No right to subscribe for shares in or debentures of the company was granted or exercised during the year.

Directors' responsibilities for the financial statements

United Kingdom 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 judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

QUAYSIDE HOMES LIMITED

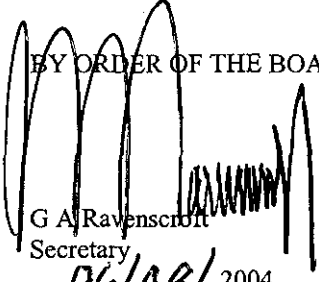
REPORT OF THE DIRECTORS

Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD


G A Ravenscroft
Secretary

06/08/2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUAYSIDE HOMES LIMITED**

We have audited the financial statements of Quayside Homes Limited for the year ended 29 February 2004 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members 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 directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the group is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUAYSIDE HOMES LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 February 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LONDON

20 August

2004

QUAYSIDE HOMES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost accounting rules set out in Schedule 4 Companies Act 1985, and in accordance with applicable United Kingdom accounting standards.

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 not to prepare a cash flow statement on the grounds that the ultimate parent undertaking produces a consolidated cash flow statement.

STOCKS AND WORK IN PROGRESS

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

Short term contract work in progress is stated at the lower of cost and net realisable value. Cost comprises materials, labour and those overheads directly related to the contract. Net realisable value represents anticipated proceeds after selling costs.

Long term contracts are stated at cost plus attributable profit, less foreseeable losses and payments on account. Amounts recoverable on contracts are included in debtors. Payments received on account of contracts are deducted from amounts recoverable on contracts. Such amounts received which exceed amounts recoverable are included in creditors.

QUAYSIDE HOMES LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 29 FEBRUARY 2004

	Note	2004 £
Interest payable	1	<u>(7,200)</u>
Loss on ordinary activities before taxation		(7,200)
Tax on loss on ordinary activities	2	<u>-</u>
Retained loss for the financial period	9	<u>(7,200)</u>

All transactions arose from continuing operations.

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

The accompanying accounting policies and notes form an integral part of these financial statements.

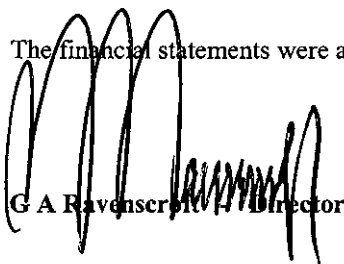
QUAYSIDE HOMES LIMITED

BALANCE SHEET AT 29 FEBRUARY 2004

	Note	2004 £
Current assets		
Stocks and work in progress	3	19,924,120
Debtors	4	<u>55,499</u>
		19,979,619
Creditors: amounts falling due within one year	5	<u>(19,486,818)</u>
Net current assets		<u>492,801</u>
Total assets less current liabilities		<u>492,801</u>
Creditors: amounts falling due after more than one year	6	(500,000)
		<u>(7,199)</u>
Capital and reserves		
Called up share capital	8	1
Profit and loss account	9	<u>(7,200)</u>
Equity shareholders' deficit	10	<u>(7,199)</u>

The financial statements were approved by the Board of Directors on

06/08/2004


G A Ravenscroft, Director

The accompanying accounting policies and notes form an integral part of these financial statements.

QUAYSIDE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 FEBRUARY 2004

1 INTEREST PAYABLE

	2004 £
On bank loans and overdrafts	<u>7,200</u>

2 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the loss for the period and represents:

	2004 £
United Kingdom corporation tax at 30%	<u>-</u>
Loss on ordinary activities before taxation	(7,200)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30%	(2,160)
Losses surrendered under group relief	<u>2,160</u>
	<u>-</u>

3 STOCKS AND WORK IN PROGRESS

	2004 £
Work in progress	<u>19,924,120</u>

4 DEBTORS

	2004 £
Other debtors	1
Prepayments and accrued income	<u>55,498</u>
	<u>55,499</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £
Amounts owed to parent undertaking	19,178,018
Other loan (note 7)	301,600
Accruals and deferred income	<u>7,200</u>
	<u>19,486,818</u>

The other loan relates to a South East England Development Agency interest free loan, and is secured on certain development land and buildings.

QUAYSIDE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 FEBRUARY 2004

6 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004 £
Bank loan (note 7)	<u>500,000</u>
Interest is charged on the bank loan at 1.25% above base rate.	
Secured bank borrowings are secured on certain work in progress.	

7 BORROWINGS

Borrowings are repayable as follows:

	2004 £
Amounts falling due within one year (note 5)	
Other loan	<u>301,600</u>
Amounts falling due after more than one year (note 6)	
Bank loan	<u>500,000</u>

8 SHARE CAPITAL

	2004 £
Authorised	
1 ordinary share of £1 each	<u>1</u>
Allotted, called up and fully paid	
1 ordinary share of £1 each	<u>1</u>

9 RESERVES

	Profit and loss account £'000
Retained loss for the period	<u>(7,200)</u>
Accumulated loss at 29 February 2004	<u>(7,200)</u>

QUAYSIDE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 FEBRUARY 2004

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £
Loss for the financial period	(7,200)
Issue of share capital	1
Net reduction to shareholders' funds	<u>(7,199)</u>
Opening shareholders' funds	-
Closing shareholders' deficit	<u>(7,199)</u>

11 CAPITAL COMMITMENTS

Capital commitments contracted for at 29 February 2004 were £nil.

12 CONTINGENT LIABILITIES

As at 29 February 2004, the company had no contingent liabilities.

13 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The ultimate controlling party is M McGuirk, a director and majority shareholder of Ramac Group Limited the ultimate parent undertaking. Ramac Holdings Limited, its wholly owned subsidiary, owns 100% of the issued share capital of Quayside Homes.

During the period the company purchased development land (valued at £19,700,000) with associated development finance of £301,600 from its parent for £19,398,400.