

QUAYSIDE HOMES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 2005



QUAYSIDE HOMES LIMITED

FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2005

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 year ended 28 FEBRUARY 2005

INDEX	PAGE
Report of the directors	1 – 2
Report of the independent auditors	3 – 4
Principal accounting policies	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 – 11

QUAYSIDE HOMES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 28 February 2005.

Principal activity

The company's principal activity remained unchanged and comprised the development and sale of real estate.

Business review

The financial results are set out in the profit and loss account. The retained loss for the financial year of £202,899 (2004: loss £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 year is set out below.

M McGuirk
G A Ravenscroft

No director held any shares in the company during the year.

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

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD

G A Ravenscroft
Secretary

9/8/ 2005

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 28 February 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 15. 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 28 February 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

LONDON
24 August 2005

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.

The principal accounting policies of the company have remained unchanged from the previous year.

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 year ended 28 FEBRUARY 2005

	Note	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Turnover	1	51,781	-
Cost of sales		-	-
Gross profit		51,781	-
Other operating charges		(201,156)	-
Operating loss		(149,375)	-
Interest payable	3	(46,399)	(7,200)
Loss on ordinary activities before taxation	2	(195,774)	(7,200)
Tax on loss on ordinary activities	4	(7,125)	-
Retained loss for the financial year/period	11	(202,899)	(7,200)

All transactions arose from continuing operations.

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

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

QUAYSIDE HOMES LIMITED

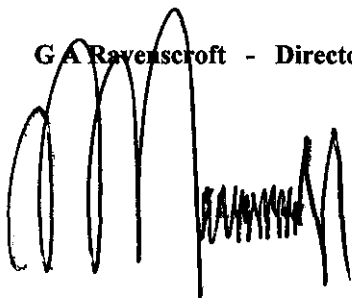
BALANCE SHEET AT 28 FEBRUARY 2005

	Note	2005 £	2004 £
Current assets			
Stocks and work in progress	5	25,236,260	19,924,120
Debtors	6	146,827	55,499
Cash at bank		16,756	-
		<u>25,399,843</u>	<u>19,979,619</u>
Creditors: amounts falling due within one year	7	<u>(23,005,709)</u>	<u>(19,486,818)</u>
Net current assets		<u>2,394,134</u>	<u>492,801</u>
Total assets less current liabilities		<u>2,394,134</u>	<u>492,801</u>
Creditors: amounts falling due after more than one year	8	<u>(2,604,232)</u>	<u>(500,000)</u>
		<u>(210,098)</u>	<u>(7,199)</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	<u>(210,099)</u>	<u>(7,200)</u>
Equity shareholders' deficit	12	<u>(210,098)</u>	<u>(7,199)</u>

The financial statements were approved by the Board of Directors on

9/07 2005.

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 year ended 28 FEBRUARY 2005

1 TURNOVER

Turnover comprises amounts invoiced in respect of services supplied during the year, excluding value added tax. All turnover arose within the United Kingdom.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Auditors' remuneration: Audit services	<u>5,000</u>	<u>-</u>

3 INTEREST PAYABLE

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
On bank loans and overdrafts	<u>46,399</u>	<u>7,200</u>

4 TAX ON LOSS ON ORDINARY ACTIVITIES

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

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
United Kingdom corporation tax at 30% (2004: 30%)	<u>7,125</u>	<u>-</u>
Loss on ordinary activities before taxation	(195,774)	(7,200)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2004: 30%)	(58,732)	(2,160)
Change of tax rate	(4,125)	-
Losses surrendered under group relief	<u>69,982</u>	<u>2,160</u>
	<u>7,125</u>	<u>-</u>

QUAYSIDE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2005

5 STOCKS AND WORK IN PROGRESS

	2005 £	2004 £
Work in progress	<u>25,236,260</u>	<u>19,924,120</u>

6 DEBTORS

	2005 £	2004 £
Trade debtors	33,475	-
Other debtors	-	1
Prepayments and accrued income	<u>113,352</u>	<u>55,498</u>
	<u>146,827</u>	<u>55,499</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Amounts owed to parent undertaking	20,998,128	19,178,018
Other loan	1,929,698	301,600
Other creditors	33,566	-
Corporation tax	7,125	-
Other taxation and social security	9,092	-
Accruals and deferred income	<u>28,100</u>	<u>7,200</u>
	<u>23,005,709</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.

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Bank loan	<u>2,604,232</u>	<u>500,000</u>

Interest is charged on the bank loan at 1.25% above base rate.

Secured bank borrowings are secured on certain development land and buildings.

QUAYSIDE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2005

9 BORROWINGS

Borrowings are repayable as follows:

	2005 £	2004 £
Amounts falling due within one year (note 7)		
Other loan	<u>1,929,698</u>	<u>301,600</u>
Amounts falling due after more than one year (note 8)		
Bank loan	<u>2,604,232</u>	<u>500,000</u>

10 SHARE CAPITAL

	2005 £	2004 £
Authorised		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

11 RESERVES

	Profit and loss account £'000
Accumulated losses at 1 March 2004	(7,200)
Retained loss for the year	<u>(202,899)</u>
Accumulated losses at 28 February 2005	<u>(210,099)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Loss for the financial year/period	(202,899)	(7,200)
Issue of share capital	-	1
Net reduction to shareholders' funds	<u>(202,899)</u>	<u>(7,199)</u>
Opening shareholders' deficit	<u>(7,199)</u>	-
Closing shareholders' deficit	<u>(210,098)</u>	<u>(7,199)</u>

13 CAPITAL COMMITMENTS

There were no capital commitments contracted for at 28 February 2005 or 29 February 2004.

QUAYSIDE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2005

14 CONTINGENT LIABILITIES

There were no contingent liabilities at 28 February 2005 or 29 February 2004.

15 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 Limited.

During the year the company conducted business with R M Brookes Limited, a company owned 100% by Ramac Holdings (Trading) Limited (a company in which M McGuirk is a majority shareholder).

Included within work in progress is £264,370 in respect of costs incurred to R M Brookes Limited.

As a wholly-owned subsidiary of Ramac Group Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Ramac Group Limited on the grounds that the accounts are publicly available from Companies House.