

**Midas Homes Limited**

**Registered number: 2714200**

**Annual report and financial statements**

**Year ended 30 June 2007**

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# **Midas Homes Limited**

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# **Midas Homes Limited**

## **Directors and advisers**

### **Directors**

WE Cawse

RJ Hayman

JE Macey

AGS Addison

T J Douglass

G Hutton

A Lane

DD Seaton

R J Baldwinson (Appointed 01/01/07)

K Foley (Appointed 09/05/07)

D W Tilman (Appointed 09/05/07)

I Baker (Appointed 09/05/07)

### **Secretary**

R Barraclough

### **Registered office**

Cowley Business Park

Cowley

Uxbridge

Middlesex

UB8 2AL

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants & Registered Auditors

The Atrium

Harefield Road

Uxbridge

Middlesex

UB8 1EX

### **Bankers**

Barclays Bank plc

15 Colmore Row

Birmingham

B3 2WN

# **Midas Homes Limited**

## **Directors' report for the year ended 30 June 2007 (continued)**

The directors submit their report and the audited financial statements of Midas Homes Limited ("the company") for the year ended 30 June 2007

### **Principal activities**

The principal activities of the company are residential property development, social housing and urban regeneration, primarily in Devon, Cornwall and Somerset although the business is now expanding eastwards towards Wiltshire and Gloucestershire

### **Review of business and future developments**

The non-social housing business has grown £10.9m in turnover terms compared with last year, an increase of 26 units in the year. The first half saw market conditions proving difficult but improvements came through in the last quarter resulting in an overall increase in the average selling price from £184,000 to £194,000 for the year.

The social housing business represented 7% (2006: 5%) of the total company's turnover. This is in line with last year.

It has been a successful year in respect of land acquisition, resulting in the change in the working capital values. These opportunities have enabled the company to secure a significant increase to its land bank. There has been a resultant increase in interest payable costs.

The directors consider the position of the company at the end of the year to be satisfactory and providing there is no major changes in our markets, expects that the company will maintain its position as one of the major house builders in the South West.

### **Results and dividends**

A summary of the results of the year's trading is given on page 6 of the financial statements.

The company's profit for the financial year was £4,041,000 (2006: £6,460,000).

The directors did not declare an interim dividend (2006: £19.19 per £1 share amounting to £4,799,000). The directors recommend the payment of a final dividend of £16.04 per £1 share amounting to £4,010,000 (2006: £4.10 per £1 share amounting to £1,024,000).

### **Donations**

Charitable donations made by the company during the year amounted to £3,100 (2006: £2,200).

### **Directors**

The present directors of the company are set out on page 1, all of whom served throughout the year and up to the date of signing the financial statements, except where indicated.

G. P. Fitzgerald and D. R. Wood resigned as directors of the company on 9<sup>th</sup> May 2007 and 31<sup>st</sup> March 2007 respectively.

# **Midas Homes Limited**

## **Directors' report for the year ended 30 June 2007 (continued)**

### **Financial risk management**

The company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk and interest rate risk. The policies in place to mitigate the potential impact of these financial risks are as follows

Where appropriate, credit checks are made prior to the acceptance of a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Monthly reviews of the debtor's ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the company's liquidity position

The rate of interest earned and paid on the company's cash balances and loans and overdrafts are monitored, by the ultimate holding company Galliford Try plc, on an ongoing basis by continuing review of rates available in the market. Deposits, loans and overdrafts are made with reference to these rates, in conjunction with projections of future cash requirements

Galliford Try plc actively maintains an appropriate level of cash reserves that is available for operations and planned expansions

### **Principal risks, uncertainties and key performance indicators**

From the perspectives of the company, the principal risks and uncertainties are integrated with that of the Group and are not managed separately. These are discussed within the Group's Annual Report on page 5

The directors of Galliford Try plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the housebuilding division of Galliford Try plc, which includes the company, is discussed in the group's annual report on pages 4 to 15 which does not form part of this report

### **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 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary

# **Midas Homes Limited**

## **Directors' report for the year ended 30 June 2007 (continued)**

### **Statement of directors' responsibilities (continued)**

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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


### **Disclosure of information to auditors**

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. 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 auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next AGM

The report of the directors was approved by the Board on 10 December 2007 and signed on its behalf by

  
WE Cawse  
Director

## Independent auditors' report to the members of Midas Homes Limited

We have audited the financial statements of Midas Homes Limited for the year ended 30 June 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 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.

### 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 30 June 2007 and of its profit 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.

*PricewaterhouseCoopers LLP*  
PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

West London

12 December 2007

## Midas Homes Limited

### Profit and loss account for the year ended 30 June 2007

	<i>Note</i>	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>Turnover</b>	<b>2</b>	<b>80,654</b>	<b>66,646</b>
Cost of sales		(65,455)	(53,379)
<b>Gross profit</b>		<b>15,199</b>	<b>13,267</b>
Administrative expenses		(5,967)	(4,077)
<b>Operating profit</b>	<b>5</b>	<b>9,232</b>	<b>9,190</b>
Income from shares in group undertaking		-	1,349
Interest receivable and similar income	<b>6</b>	<b>8</b>	<b>7</b>
Interest payable and similar charges	<b>7</b>	<b>(3,435)</b>	<b>(1,920)</b>
<b>Profit on ordinary activities before taxation</b>		<b>5,805</b>	<b>8,626</b>
Tax charge on the profit on ordinary activities	<b>8</b>	<b>(1,764)</b>	<b>(2,166)</b>
<b>Profit on ordinary activities after taxation</b>	<b>20</b>	<b>4,041</b>	<b>6,460</b>

All amounts relate to continuing operations

There are no recognised gains and losses other than those shown in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the results shown in the profit and loss account above and their historical cost equivalents

# Midas Homes Limited

## Balance sheet as at 30 June 2007

	<i>Note</i>	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Tangible assets	10	221	278
Investments	11	1,086	1,086
		<b>1,307</b>	<b>1,364</b>
<b>Current assets</b>			
Developments	12	89,583	57,210
Debtors	13	7,218	6,309
Cash at bank and in hand		75	74
		<b>96,876</b>	<b>63,593</b>
<b>Creditors amounts falling due within one year</b>	14	<b>(89,577)</b>	<b>(54,959)</b>
<b>Net current assets</b>		<b>7,299</b>	<b>8,634</b>
<b>Total assets less current liabilities</b>		<b>8,606</b>	<b>9,998</b>
<b>Creditors amounts falling due in more than one year</b>	15	<b>(1,185)</b>	<b>(5,594)</b>
<b>Net assets</b>		<b>7,421</b>	<b>4,404</b>
<b>Capital and reserves</b>			
Called up share capital	18	250	250
Profit and loss reserve	19	7,171	4,154
<b>Total equity shareholders' funds</b>	20	<b>7,421</b>	<b>4,404</b>

The financial statements on pages 6 to 18 were approved by the Board on 10 December 2007 and signed on its behalf by



RJ Hayman  
Director

# **Midas Homes Limited**

## **Notes to the financial statements for the year ended 30 June 2007 (continued)**

### **1 Principal accounting policies**

#### **Basis of accounting**

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. The accounting policies have been consistently applied throughout the year except for any changes arising on the adoption of the new standards set out below.

#### **Changes in accounting policy**

The company has adopted FRS20 "share based payments" which has had no material effect on either the current or prior year's financial statements.

#### **Consolidation**

The company is a wholly-owned subsidiary of Galliford Try plc and is included in the consolidated financial statements of Galliford Try plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 228 of the Companies Act 1985.

#### **Turnover**

Turnover comprises the value of legal completions of private house building, contracted development sales and the construction work executed during the year, and excludes value added tax.

The results for the year include adjustments for the outcome of contracts executed in both the current and preceding years. These adjustments arise from claims by customers or third parties and variations on customers or third parties for variations on the original contract. Provisions for claims against the company are made as soon as it is believed that a liability will arise, but claims and variations made by the company are not recognised in the profit and loss account until the outcome is reasonably certain. Where it is foreseen that a loss will arise on a contract, full provision for this loss is made.

Amounts recoverable on contracts are stated at cost plus attributable profit less any foreseeable losses and payments on account and are included in debtors.

#### **Cash flow**

The company is a wholly owned subsidiary company of a group headed by Galliford Try plc, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

#### **Operating leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

# **Midas Homes Limited**

## **Notes to the financial statements for the year ended 30 June 2007 (continued)**

### **1 Principal accounting policies (continued)**

#### **Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over their expected useful economic lives. The principal annual rates used for this purpose are

Short leasehold property	over the period of the lease
Plant and machinery	33% per annum on cost
Fixtures and fittings	computer equipment 25% per annum on cost
	office equipment 33% per annum on cost

#### **Fixed assets - investments**

Investments in subsidiary undertakings held by the company are stated at the lower of cost and net asset value at each year end

#### **Impairment review**

In addition to systematic depreciation or amortisation, the book value of tangible fixed assets or goodwill would be written down to estimated recoverable amount should any permanent impairment in the respective carrying values be identified, this is carried out by the finance department as required, with input from the site managers who review assets on a continual basis dependant on the asset type

#### **Joint arrangements that are not entities**

The company undertakes residential developments under unincorporated joint arrangements with trading partners where it provides capital and acts as development co-ordinator responsible for supervising and co-ordinating all aspects of the developments, including building work, site management, sale and ancillary activities normally undertaken by contractors

Financial Reporting Standard No 9 "Associates and Joint Ventures" classifies this type of arrangement as a "joint arrangement that is not an entity" and accordingly the company's share of turnover and profits less losses attributable to such arrangements is included where appropriate in the balance sheet

#### **Developments**

Developments, including development land and work in progress are valued at the lower of actual cost (including attributable overheads) and net realisable value

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

# Midas Homes Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 1 Principal accounting policies (continued)

#### Pensions

The company participated in a group operated defined benefit pension scheme for the benefit of the majority of its employees, the assets of which are held separately from those of the company in independently administered funds

This scheme was closed to new members in 2001 and was closed to future service accruals with effect from 31 March 2007. All employees are now entitled to join the Galliford Try Pension Scheme, a defined contribution scheme established as a stakeholder plan, with a company contribution on a scale dependent upon the employee's age and the amount they choose to contribute. The cost of providing for pensions is charged to the profit and loss account on an accruals basis.

As the company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme.

Contributions to the Group's defined contribution scheme are determined as a percentage of employee's earnings and are charged to the profit and loss account on an accruals basis.

### 2 Turnover

The turnover is attributable to the principal activities undertaken by the company solely within the United Kingdom.

### 3 Employees

The average monthly number of employees, including executive directors, during the year, split by activity was as follows:

	2007	2006
	No	No
Production and sales	94	90
Administration	75	71
	169	161
<hr/>		
	2007	2006
	£'000	£'000
Staff costs		
Wages and salaries	6,178	5,623
Social security costs	641	570
Other pension costs (see note 17)	2,328	1,031
	9,147	7,224

# Midas Homes Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 4 Directors' emoluments

	2007	2006
	£'000	£'000
Aggregate emoluments	1,224	1,032
Company pension contributions to money purchase schemes	20	-
	1,224	1,032

	2007	2006
	No.	No
Number of directors to whom retirement benefits are accruing under pension schemes		
Money purchase	9	-
Defined benefit	-	8

#### Highest paid director

	2007	2006
	£'000	£'000
Aggregate emoluments	314	262
Defined benefit scheme		
Accrued pension at the year end	19	17

The emoluments of GP Fitzgerald are paid by the ultimate parent undertaking, which makes no recharge to the company. Mr Fitzgerald is a director of the parent undertaking and a number of fellow subsidiaries of Galliford Try plc and it is not possible to make an accurate apportionment in respect of his emoluments to these subsidiaries. Accordingly the above details include no emoluments in respect of Mr Fitzgerald. His emoluments are fully disclosed in the financial statements of Galliford Try plc which are publicly available.

The emoluments of K Foley, D Tilman and I Baker are paid by other subsidiaries within the group. These directors are also directors of a number of fellow subsidiaries of Galliford Try plc. An apportionment of £22,000 has been allowed for I Baker and K Foley. Accordingly the above details include emoluments in respect of these directors. Their emoluments are partially disclosed in all companies that employ them.

The emoluments of J Macey are paid by Gerald Wood Homes Limited and are fully disclosed in the financial statements of Gerald Wood Homes Limited which are publicly available.

### 5 Operating profit

	2007	2006
	£'000	£'000
The operating profit is stated after charging		
Depreciation of tangible fixed assets		
Owned assets	164	140
Operating leases		
Plant and machinery	148	155
Other	186	98
Auditors' remuneration		
Audit fees	23	21

# Midas Homes Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 6 Interest receivable and similar income

	2007 £'000	2006 £'000
Receivable on bank balances	-	-
Other	8	7
	<u>8</u>	<u>7</u>

### 7 Interest payable and similar charges

	2007 £'000	2006 £'000
Payable on bank loans and overdrafts	3,419	1,906
Payable to Group companies	11	11
Other	5	3
	<u>3,435</u>	<u>1,920</u>

### 8 Tax charge on profit on ordinary activities

	2007 £'000	2006 £'000
<b>Current tax:</b>		
UK corporation tax on profits of the year	1,766	2,165
Adjustments in respect of previous periods	-	(1)
Total current tax	1,766	2,164
<b>Deferred tax</b>		
Origination and reversal of timing differences – current year	(2)	2
Total deferred tax	(2)	2
<b>Tax charge on profit on ordinary activities</b>	<u>1,764</u>	<u>2,166</u>

The tax assessed for the period is lower (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 30%)

The differences are explained below

Profit on ordinary activities before tax	5,805	8,626
Profit on ordinary activities multiplied by standard rate of tax in the UK	1,742	2,589
Effects of		
Accelerated capital allowances and other timing differences	(1)	(2)
Non taxable income	-	(214)
Expenses not deductible for tax purposes	37	25
Adjustments in respect of previous periods	-	(1)
Land remediation relief	(12)	(42)
Prior year adjustment – FRS 21	-	(191)
<b>Current tax charge for the year</b>	<u>1,766</u>	<u>2,164</u>

# Midas Homes Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 9 Dividends

	2007 £'000	2006 £'000
Dividend paid of £4 10 per £1 share (2006 £23 80 per £1 share)	1,024	5,951
Interim dividend paid nil, (2006 £19 19 per £1 share)	-	4,799
	<b>1,024</b>	<b>10,750</b>

The directors have proposed a final dividend of £16 04 per share which amounts to £4,010,000. This dividend has not been accounted for within the current year financial statements as it has not yet been approved.

### 10 Tangible fixed assets

	Short leasehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 July 2006	303	339	632	1,274
Additions	-	94	13	107
Disposals	-	-	(199)	(199)
<b>At 30 June 2007</b>	<b>303</b>	<b>433</b>	<b>446</b>	<b>1,182</b>
<b>Accumulated depreciation</b>				
At 1 July 2006	211	254	531	996
Charge for year	43	46	75	164
Disposals	-	-	(199)	(199)
<b>At 30 June 2007</b>	<b>254</b>	<b>300</b>	<b>407</b>	<b>961</b>
<b>Net book value</b>				
<b>At 30 June 2007</b>	<b>49</b>	<b>133</b>	<b>39</b>	<b>221</b>
<b>At 30 June 2006</b>	<b>92</b>	<b>85</b>	<b>101</b>	<b>278</b>

# Midas Homes Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 11 Investments

	Shares in group undertakings £'000
<b>Cost</b>	
At 1 July 2006 and 30 June 2007	5,306
<b>Impairment</b>	
At 1 July 2006 and 30 June 2007	(4,220)
<b>Net book value</b>	
At 30 June 2006 and 30 June 2007	<u>1,086</u>

The directors believe that the book value of the investments is not less than the value of the underlying net assets

Subsidiary undertakings owned by Midas Homes Limited are as follows

	% share holding	Principal activity
Gerald Wood Homes Limited	100	Housebuilding
Knapp Group Limited	100	Non - trading
Charles Scott Homes (South West) Limited	100	Non - trading
Metrobrook (Newquay) Limited	100	Non - trading

### 12 Developments

	2007 £'000	2006 £'000
Land	68,153	37,392
Work in progress	20,338	19,818
Other	1,092	-
	<u>89,583</u>	<u>57,210</u>

# Midas Homes Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 13 Debtors

	2007 £'000	2006 £'000
<b>Amounts falling due within one year.</b>		
Amounts recoverable on contracts	542	915
Trade debtors	1,718	445
Amounts owed by group undertakings	3,898	4,232
Other debtors	495	263
Prepayments and accrued income	68	105
	6,721	5,960
<b>Amounts falling due after more than one year:</b>		
Amounts recoverable on contracts	457	311
Deferred taxation (note 16)	40	38
	7,218	6,309

Amounts owed by group undertakings have no interest chargeable or repayment date

### 14 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Bank loans and overdrafts	62,487	27,519
Trade creditors	5,235	6,316
Development land creditors	12,895	10,102
Amounts owed to group undertakings	2,567	5,527
Corporation tax	619	874
Other taxation and social security	43	6
Other creditors	3,664	3,642
Accruals and deferred income	2,067	973
	89,577	54,959

### 15 Creditors: amounts falling due in more than one year

	2007 £'000	2006 £'000
Trade creditors	497	342
Development land creditors	688	5,252
	1,185	5,594

Amounts owed to group undertakings are unsecured and have no interest chargeable or repayment date

The bank loans and overdrafts shown above, which bear a variable rate of interest based on bank base rate, are secured by charges over certain of the company's and fellow subsidiaries developments

# Midas Homes Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 16 Deferred taxation

	2007 £'000	2006 £'000
Deferred tax asset recognised in the financial statements is calculated on the liability method at 28% (2006 30%) and comprises		
Tax effect of differences due to		
Accelerated capital allowances	40	38
	<b>40</b>	<b>38</b>
The movement in the deferred tax asset was as follows		£'000
At 1 July 2006		38
Charged to the profit and loss account		2
At 30 June 2007		<b>40</b>

### 17 Pension commitments

The company participates in a group operated defined benefit pension scheme for the benefit of certain of its employees, the assets of which are held separately from those of the company in independently administered funds. This scheme was closed to new members in 2001 and was closed to future service accruals with effect from 31 March 2007. All employees are now entitled to join the Galliford Try Pension Scheme, a defined contribution scheme established as a stakeholder plan, with a company contribution on a scale dependent upon the employee's age and the amount they choose to contribute. The cost of providing for pensions is charged to the profit and loss account on an accruals basis.

As the company is unable to identify its share of the assets and liabilities of the group defined benefit scheme, it accounts for contributions as if they were to a defined contribution pension scheme.

#### Pension costs

	2007 £'000	2006 £'000
Defined benefit schemes	2,225	993
Defined contribution schemes	103	38
	<b>2,328</b>	<b>1,031</b>

### 18 Share capital

	2007 £'000	2006 £'000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	250	250

# Midas Homes Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 19 Profit and loss reserve

	£'000
At 1 July 2006	4,154
Retained profit for the financial year (note 20)	3,017
<b>30 June 2007</b>	<b>7,171</b>

### 20 Reconciliation of movement in equity shareholders' funds

	2007 £'000	2006 £'000
Profit for the financial year	4,041	6,460
Dividend	(1,024)	(10,750)
Retained profit/(loss) for the financial year	3,017	(4,290)
Opening equity shareholders' funds	4,404	8,694
Closing equity shareholders' funds	7,421	4,404

### 21 Capital commitments

The company had no commitments for capital expenditure at 30 June 2007 (2006 £Nil)

### 22 Contingent liabilities

There were contingent liabilities under composite guarantees given by the parent company and the subsidiaries in respect of the HSBC, Barclays, Royal Bank of Scotland and Bank of Scotland bank facilities of group companies. At 30 June 2007 such facilities had been utilised to the extent of £215,013,000 (2006 £51,752,000). There were also contingent liabilities in respect of composite guarantees of other bank and performance bonds entered into by the Group in the normal course of business which, at 30 June 2007, were £226,600,000 (2006 £102,483,000).

### 23 Financial commitments

#### Leasing commitments

At 30 June 2007, the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Operating leases which expire				
- within one year	-	4	10	2
- within two to five years	66	50	110	127
	66	54	120	129

## **Midas Homes Limited**

### **Notes to the financial statements for the year ended 30 June 2007 (continued)**

#### **24 Related party transactions**

The company has taken advantage of the exemption under Financial Reporting Standard No 8 for disclosing any relevant transactions, as it qualifies as a "90% subsidiary undertaking". Consequently intra-group transactions are not disclosed.

The company has entered into joint arrangements with various third parties for the purposes of residential property development at locations in the West Country. These arrangements are unincorporated and the company's share of profits and assets and liabilities of these arrangements ranges from 12.5% to 50%. During the year ended 30 June 2007, costs totaling £3,371,822 (2006: £1,245,674) were invoiced to these arrangements and balances due to the company of £239,665 (2006: £nil) are included within other debtors (note 13). Balances due by the company of £5,111 (2006: £5,744) are included within other creditors (note 14).

#### **25 Ultimate parent undertaking**

The immediate parent undertaking is Galliford Try Homes Limited, which is registered in England and Wales. The ultimate parent undertaking and controlling party is Galliford Try plc, which is registered in England and Wales. This is the only company that consolidates this company's financial statements. Copies of the consolidated group financial statements of Galliford Try plc are publicly available from Galliford Try plc, Cowley Business Park, High Street, Cowley, Uxbridge, UB8 2AL.