Midas Homes Limited

Registered number: 2714200

Annual report and financial statements

Year ended 30 June 2010

Midas Homes Limited

Contents

Midas Homes Limited

Directors and advisers

Directors
WE Cawse
RJ Hayman
AGS Addison
TJ Douglass
G Hutton
A Lane
MR Farnham (appointed 14th January 2010)
K Foley
I Baker
G Locke (appointed 1 July 2010)

Company secretary

R Barraclough

Registered office

Cowley Business Park
Cowley
Uxbridge
Middlesex
UB8 2AL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 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 2010

The directors submit their annual report and the audited financial statements of Midas Homes Limited, registered number 2714200, ("the company") for the year ended 30 June 2010

Principal activities

The principal activity of the company is residential property development, social housing and urban regeneration, primarily in Devon, Cornwall and Somerset

Review of business and future developments

The strategy since September 2009 has been to increase the land bank position to ensure future profitability and to continue controlling expenditure on sites to improve our cash position wherever possible Due to this strategy and improved market conditions we were able to implement the return of the 5 day to ensure that the business could progress forward and deal with the improvement in economic conditions and resume growth Overall the market has remained stable and mortgage availability has slowly returned The directors anticipate that the future market will remain stable, subject to consumer confidence with the current economic uncertainty

On 1 December 2009, the company acquired the entire share capital of Rosemullion Property Company Limited and its subsidiary companies (Rosemullion), a housing developer based in the south west of England The total consideration payable was £0 1 million which was settled in cash No goodwill arose on this acquisition

Turnover for the current financial year was £42,820,000 (2009, £55,120,000) Social housing and contracting represent 11 2% and 6 9% respectively (2009 15 8% and 9 3%) of the total turnover

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 loss for the financial year was £2,480,000 (2009 £4,866,000) The loss arose due to the downturn in the housing market

The directors did not pay an interim dividend (2009 £Nil per £1 share amounting to £Nil) The directors do not recommend the payment of a final dividend for 2010 (2009 £Nil)

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 unless otherwise stated

R Baldwinson and D Tilman resigned as directors of the company on 3 August 2009 and 31 December 2009 respectively MR Farnham and G Locke were appointed as directors of the company on 14 January 2010 and 1 July 2010 respectively After the year end W Bennett resigned as a director of the company on 11 August 2010

Following shareholder approval, the company has provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 This indemnity was in force throughout the year and up to the date of signing these financial statements

Directors' report for the year ended 30 June 2010 (continued)

Creditor payment policy

The company's practice is to

a) agree the terms of payment at the start of business with the supplier,
b) ensure that those suppliers are made aware of the terms of payment,
c) pay in accordance with its contractual and other legal obligations

The company's average creditor payment period at 30 June 2010 was 41 days (2009 27 days)

Financial risk management

The company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, cash flow risk and interest rate risk The policies to mitigate the potential impact of these financial risks are set by the directors, who monitor their effectiveness on a monthly basis during board meetings These policies 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 debtors 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 Galliford Try plc ensures that the company has sufficient liquid resources to continue its operation

Principal risks, uncertainties and key performance indicators

From the perspectives of the company, the principal risks and uncertainties are integrated with that of Galliford Try plc and are not managed separately These are discussed within the group's annual report on page 4

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 which does not form part of this report

Midas Homes Limited

Directors' report for the year ended 30 June 2010 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Each of the persons who is a director at the date of the approval of this report confirms that so far as they are 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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

Independent 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 of directors on 17 December 2010 and signed on its behalf by

R Barraclough
Company secretary

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 2010 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Andre Duxbury

Andrew Duxbury (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
12 December 2010

Midas Homes Limited

Profit and loss account for the year ended 30 June 2010

	Note	**2010** **£'000**	2009 £'000
Turnover	*2*	**42,820**	55,120
Cost of sales		**(39,960)**	(53,658)
Gross profit		**2,860**	1,462
Administrative expenses		**(4,497)**	(4,403)
Operating loss	*5*	**(1,637)**	(2,941)
Interest receivable and similar income	*6*	**7**	7
Interest payable and similar charges	*7*	**(1,733)**	(4,008)
Loss on ordinary activities before taxation		**(3,363)**	(6,942)
Tax credit on the loss on ordinary activities	*8*	**907**	2,076
Loss for the financial year	*19*	**(2,456)**	(4,866)

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 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible fixed assets	*9*	**11**	53
Investments	*10*	**1,192**	1,086
		1,203	1,139
Current assets			
Developments	*11*	**58,378**	65,986
Debtors	*12*	**30,372**	27,246
Cash at bank and in hand		**3**	2
		88,753	93,234
Creditors: amounts falling due within one year	*13*	**(82,194)**	(82,812)
Net current assets		**6,559**	10,422
Total assets less current liabilities		**7,762**	11,561
Creditors amounts falling due after than one year	*14*	**(214)**	(1,557)
Net assets		**7,548**	10,004
Capital and reserves			
Called up share capital	*17*	**15,000**	15,000
Profit and loss account	*18*	**(7,452)**	(4,996)
Total shareholders' funds	*19*	**7,548**	10,004

The financial statements on pages 6 to 20 were approved by the board of directors on 17 December 2010 and signed on its behalf by

RJ Hayman
Director

Company number 2714200

Midas Homes Limited

Notes to the financial statements for the year ended 30 June 2010

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 2006 and applicable Accounting Standards in the United Kingdom The accounting policies have been consistently applied throughout the year and are set out below

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 400 of the Companies Act 2006

Turnover

Turnover is recognised when significant risks and rewards of ownership have been transferred to the purchaser 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

Turnover on long term contracts is recognised based upon an internal assessment of the value of works carried out This assessment is arrived at after due consideration of the performance against the programme of works, measurement of the works, detailed evaluation of the costs incurred and comparison to external certification of the work performed The amount of profit to be recognised is calculated based on the proportion that costs to date bear to the total estimated costs to complete 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 is 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 statement

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

Dividend policy

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders

Midas Homes Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

1 Principal accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing asset to its working condition for its intended use 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 lease term
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 asset 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, the book value of fixed assets would be written down to estimated recoverable amount should any permanent impairment in the respective carrying values be identified The book value of fixed asset investments would be written down to estimated recoverable amount should any impairment in the respective carrying values be identified

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

FRS 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, and of its assets and liabilities are proportionately consolidated within the profit and loss account and balance sheet

Developments

Developments are valued at the lower of cost and net realisable value Work in progress is valued at the lower of cost, including attributable overheads, and net realisable value Land stock is recognised at the time a liability is recognised which is generally after the exchange of conditional contracts once an unavoidable obligation arises and it is virtually certain the contract will be completed

Where a development is in progress net realisable value is assessed by considering the expected future revenues and the total costs to complete the development To the extent that the company anticipates selling a development in its current state then net realisable value is taken as its open market value at the balance sheet date less any anticipated selling costs

Midas Homes Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

1 Principal accounting policies (continued)

Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment A provision for impairment of debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtors Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (typically more than 30 days overdue) are considered indicators that the trade debtor is impaired The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate The carrying amount of the asset is reduced through the use of an impairment provision, and the amount of the loss is recognised in the profit and loss account

When a trade debtor is uncollectible, it is written off against the impairment provision for debtors Subsequent recoveries of amounts previously written off are credited in the profit and loss account Short term debtors do not carry any interest and are stated at their amortised cost as reduced by appropriate impairment for estimated irrecoverable amounts

Shared equity debtors

The company operates schemes under which part of the agreed sales price for a residential property can be deferred for periods of up to 10 years, remortgage or resale of the property The fair value of these assets is calculated by taking into account forecast inflation in property prices and discounting back to present value using the effective interest rate Provision is also made for estimated default to arrive at the initial fair value The unwind of the discount included on initial recognition at fair value is recognised as finance income in the year

Creditors

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business form suppliers Trade creditors are classified as current liabilities if payment is made within one year or less If not they are presented as non-current liabilities Creditors on normal terms are not interest bearing and are stated at their nominal 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 2010 (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

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge disclosed in note 16 represents contributions payable by the company to the fund

2 Turnover

The turnover is attributable to the principal activity undertaken by the company solely within the United Kingdom The company operates in only one business segment hence no segmental analysis is required

3 Employees

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

	2010	2009
	Number	Number
Production and sales	**72**	81
Administration	**53**	52
	125	133

	2010	2009
	£'000	£'000
Staff costs:		
Wages and salaries	**4,204**	4,302
Social security costs	**418**	448
Other pension costs (see note 16)	**1,293**	1,230
Share based payments	**-**	43
	5,915	6,023

The disclosure above includes some employees who are employed by Galliford Try Employment Limited, a fellow subsidiary company, who are seconded to Midas Homes Limited and their costs are recharged to the company accordingly

Midas Homes Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

4 Directors' emoluments

	2010	2009
	£'000	£'000
Aggregate emoluments	970	722
Company pension contributions to money purchase schemes	104	74
	1,074	796

	2010	2009
	Number	Number
Number of directors to whom retirement benefits are accruing under pension schemes		
Money purchase	7	8

Highest paid director

	2010	2009
	£'000	£'000
Aggregate emoluments	227	161
Company pension contributions to money purchase schemes	28	17
	255	178
Defined benefit scheme		
Accrued pension at the year end	20	20

The emoluments of K Foley, M Farnham 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 and it is not possible to make an accurate apportionment in respect of their emoluments to this subsidiary Accordingly the above details include no emoluments in respect of these directors Their emoluments are disclosed where appropriate in the financial statements of the companies where significant costs are relevant

5 Operating loss

	2010	2009
	£'000	£'000
The operating loss is stated after charging		
Depreciation of tangible fixed assets		
owned assets	46	92
Operating leases		
plant and machinery	532	726
other	183	238
Auditors' remuneration		
audit fees	20	15

During the year ended 30 June 2009 as a result of the downturn in the housing market the company incurred exceptional land write downs amounting to £3,342,000 which were charged within cost of sales An additional write down relating to these sites of £192,000 was charged during the current year

Notes to the financial statements for the year ended 30 June 2010 (continued)

6 Interest receivable and similar income

	2010	2009
	£'000	£'000
Receivable from group companies	**1**	-
Other interest	**6**	7
	7	7

7 Interest payable and similar charges

	2010	2009
	£'000	£'000
Payable on bank loans and overdrafts	**1,727**	3,992
Payable to group companies	**-**	10
Other	**6**	6
	1,733	4,008

The interest payable to group companies relates to a recharge made to the company by Galliford Try plc in respect of interest on loan notes issued when the company was acquired by the Galliford Try Group

8 Tax on loss on ordinary activities

	2010	2009
	£'000	£'000
Current tax:		
UK corporation tax on losses of the year	**(940)**	(1,976)
Adjustment in respect of previous years	**21**	(93)
	(919)	(2,069)
Deferred tax.		
Origination and reversal of timing differences	**1**	(7)
Adjustment in respect of previous years	**11**	-
Tax credit on loss on ordinary activities	**(907)**	(2,076)

The tax assessed for the year is lower (2009 higher) than the standard year end rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

Loss on ordinary activities before taxation	**(3,363)**	(6,942)
Loss on ordinary activities multiplied by standard rate of tax in the UK	**(942)**	(1,944)
Effects of		
Non taxable income	**-**	3
Accelerated capital allowances and other timing differences	**(1)**	-
Expenses not deductible for tax purposes	**3**	12
Land remediation relief	**-**	(47)
Adjustment in respect of prior years	**21**	(93)
Current tax credit for the year	**(919)**	(2,069)

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement

Midas Homes Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

8 Tax on loss on ordinary activities

The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014 The changes have not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

The effect of the changes to be enacted in the Finance (No2) Act 2010 will not have a material impact on the financial statements

9 Tangible fixed assets

	Short leasehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 July 2009	303	482	465	1,250
Additions	-	-	4	4
At 30 June 2010	**303**	**482**	**469**	**1,254**
Accumulated depreciation				
At 1 July 2009	303	446	448	1,197
Charge for year		33	13	46
At 30 June 2010	**303**	**479**	**461**	**1,243**
Net book value				
At 30 June 2010	**-**	**3**	**8**	**11**
At 30 June 2009	-	36	17	53

10 Investments

	Shares in group undertakings £'000
Cost	
At 1 July 2009	5,306
Additions	106
At 30 June 2010	5,412
Impairment	
At 1 July 2009 and 30 June 2010	(4,220)
Net book value	
At 30 June 2010	**1,192**
At 30 June 2009	1,086

Midas Homes Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

10 Investments (continued)

The dırectors belıeve that the book value of the ınvestments ıs not more than the value of the underlyıng net assets

On 1 December 2009, the company acquıred the entıre share capıtal of Rosemullıon Property Company Lımıted and ıts subsıdıary companıes (Rosemullıon), a housıng developer based ın the south west of England The total consıderatıon payable was £106,000 whıch was settled ın cash No goodwıll arose on thıs acquısıtıon

Subsıdıary undertakıngs owned by Mıdas Homes Lımıted, all of whıch are regıstered ın England and Wales, are as follows

	% ordinary share held	Principal activity
Gerald Wood Homes Lımıted	100	Housebuıldıng
Rosemullıon Homes Lımıted	100	Housebuıldıng
Rosemullıon Property Company Lımıted	100	Housebuıldıng
Knapp Group Lımıted	100	Non - tradıng
Charles Scott Homes (South West) Lımıted	100	Non - tradıng
Metrobrook (Newquay) Lımıted	100	Non - tradıng

11 Developments

	2010 £'000	2009 £'000
Land	33,203	38,342
Work ın progress	23,585	27,129
Part exchange propertıes	1,590	515
	58,378	65,986

12 Debtors

	2010 £'000	2009 £'000
Amounts fallıng due within one year:		
Trade debtors	639	1,795
Amounts recoverable on contracts	2,229	981
Amounts owed by group undertakıngs	22,766	19,316
Corporatıon tax recoverable	505	1,931
Other debtors	2,817	2,241
Prepayments	68	79
	29,204	26,343
Amounts fallıng due after more than one year:		
Trade debtors	1,295	838
Deferred taxatıon (note 15)	53	65
	30,372	27,246

Amounts owed by group undertakıngs have no ınterest chargeable or repayment date

13 Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Bank loans and overdrafts	56,321	67,721
Trade creditors	4,261	4,020
Development land creditors	4,408	4,911
Amounts owed to group undertakings	9,762	1,951
Other taxation and social security	9	19
Other creditors	379	383
Accruals	7,054	3,807
	82,194	82,812

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

14 Creditors: amounts falling due after more than one year

	2010	2009
	£'000	£'000
Payments on account	214	357
Development land creditors	-	1,200
	214	1,557

15 Deferred taxation

	2010	2009
	£'000	£'000
Deferred tax asset recognised in the financial statements is calculated on the liability method at 28% (2009 28%) and comprises		
Tax effect of differences due to		
Depreciation in excess of accelerated capital allowances	53	65
	53	65

The movement in the deferred tax asset was as follows	£'000
At 1 July 2009	65
Charged to the profit and loss account	(12)
At 30 June 2010	53

The deferred tax asset has been recognised as it is believed it will be recoverable in future years There are no unrecognised deferred tax assets or liabilities

Notes to the financial statements for the year ended 30 June 2010 (continued)

16 Pension commitments

The Company's principal defined benefit pension scheme is the Galliford Try Final Salary Pension Scheme (based on final pensionable salary) with assets held in separate trustee administered funds which was closed to future service accrual on 31 March 2007 The company is unable to identify its share of the assets and liabilities of the group defined benefit scheme This is because of historical changes within the group and the pension scheme, which means that it is not possible to accurately identify the original employer of all active and deferred pensioners Hence, the company accounts for contributions as if they were to a defined contribution pension scheme 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

Pension costs

	2010	2009
	£'000	£'000
Defined benefit schemes	**1,011**	1,011
Defined contribution schemes	**282**	219
	1,293	1,230

Defined benefit scheme

The most recent full actuarial valuations of the defined benefit scheme were updated to 30 June 2010 and the following information is disclosed in these financial statements in accordance with FRS17

The assumptions used are specified below

	2010	2009	2008
Rate of increase in salaries	**n/a**	n/a	n/a
Rate of increase in pensions in payment	**3.25%**	3 45%	3 85%
Discount rate	**5.45%**	6 45%	6 30%
Inflation assumption	**3.30%**	3 55%	4 00%

The assumptions for mortality are based on actuarial tables S1PMA, medium cohort with 1 25% underpin for males and S1PFA, medium cohort with 1% underpin for females (2009 PXA92 medium cohort) The average life expectancy at 65 for future male pensioners is 24 9 years (2009 24 0 years) and for current male pensioners is 22 5 years (2009 22 9 years)

The assets in the scheme and the expected long term rates of return at 30 June were

		2010		2009		2008
		Value		Value		Value
	Return	£m	Return	£m	Return	£m
Equities	7 90%	51 3	8 10%	52 6	8 65%	68 3
Bonds	5 45%	44 3	6 45%	24 8	6 30%	11 3
Gilts	3 90%	45 6	4 10%	40 1	5 15%	48 0
Cash	0 50%	0 3	0 50%	0 4	5 00%	1 2
		141 5		117 9		128 8
Present value of liabilities		(159 0)		(145 8)		(157 1)
Deficit in the scheme		(17 5)		(27 9)		(28 3)
Deferred tax		4 9		7 8		7 9
		(12 6)		(20 1)		(20 4)

16 Pension commitments (continued)

Where investments are held in bonds and cash, the expected long term rate of return is taken to be the yields generally prevailing on such assets at the balance sheet date A higher rate of return is expected on equity investments, which is based on more realistic future expectations than on the returns that have been available historically The overall expected long term rate of return on assets is then the average of these rates taking into account the underlying asset portfolio of the pension scheme

Sensitivity analysis of scheme liabilities

The sensitivity of the present value of scheme liabilities to changes in the principle assumptions is set out below

	Change in assumption	**Impact on scheme liabilities**
Discount rate	Increase by 0 1%	Decrease by £2 9 million
Rate of inflation	Increase by 0 1%	Decrease by £2 5 million
Increase in pension payments	Increase by 0 05%	Increase by £0 5 million
Life expectancy	Increase by one year	Increase by £3 1 million

	2010	2009
	£'m	£'m
Analysis of the net return		
Expected return on the pension scheme assets	**7 3**	8 8
Interest on pension scheme liabilities	**(9.3)**	(9 6)
Net profit and loss (charge)/credit before deduction of tax	**(2.0)**	(0 8)
Analysis of amount recognised in the statement of total recognised gains and losses		
Actual return less expected return on assets	**14 4**	(18 4)
Experience gains and losses on liabilities	**10.1**	(1 6)
Changes in assumptions	**(19.3)**	14 0
Actuarial profit/(loss)	**5 2**	(6 0)
Movement in deficit during the year		
At 1 July	**(27.9)**	(28 3)
Movement in the year		
Contributions	**7 2**	7 2
Expected return on the pension scheme assets	**7.3**	8 8
Interest on pension scheme liabilities	**(9 3)**	(9 6)
Actuarial profit/(loss)	**5 2**	(6 0)
At 30 June	**(17 5)**	(27 9)

Midas Homes Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

16 Pension commitments (continued)

	2010	2009	2008	2007	2006
Details of experience gains and losses in the year					
Difference between the expected and actual return on assets					
Amount £m	14 4	(18 4)	(15 2)	2 2	6 4
Percentage of assets	10	(16)	(12)	2	6
Experience gains and losses on liabilities					
Amount £m	10 1	(1 6)	0 4	1 9	5 2
Percentage of present value of liabilities	6	(1)	-	1	3
Total amount recognised in statement of total recognised gains and losses					
Amount £m	5 2	(6 0)	(11 4)	3 7	(5 1)
Percentage of present value of liabilities	3	(4)	7	2	(3)

The proportion of the deficit funding payments allocated to the company amounted to £1,011,000 (2009 £1,011,000)

17 Called up share capital

	2010	2009
	£'000	£'000
Authorised		
15,000,000 (2009 15,000,000) ordinary shares of £1 each	**15,000**	15,000
Allotted and fully paid		
15,000,000 (2009 15,000,000) ordinary shares of £1 each	**15,000**	15,000

18 Profit and loss account

	£'000
At 1 July 2009	(4,996)
Retained loss for the financial year (note 19)	(2,456)
At 30 June 2010	**(7,452)**

19 Reconciliation of movement in shareholders' funds

	2010	2009
	£'000	£'000
Loss for the financial year	**(2,456)**	(4,866)
Issue of share capital	-	14,750
Share based payments	-	43
Opening shareholders' funds	**10,004**	77
Closing shareholders' funds	**7,548**	10,004

20 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 2010 such facilities had been utilised to the extent of £101,344,000 (2009 £131,476,000). 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 2010, were £109,397,000 (2009 £107,321,000)

21 Financial commitments

Leasing commitments

At 30 June 2010, the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	**2010**	2009
	£'000	£'000	**£'000**	£'000
Operating leases which expire				
- within one year	-	33	**20**	36
- within two to five years	-	-	**127**	84
- over five years	**32**	32	-	-
	32	65	**147**	120

22 Related party transactions

The company has taken advantage of the exemption under FRS8, "Related party disclosures" for disclosing any relevant transactions, as it qualifies as a "100% subsidiary undertaking" Consequently intra-group transactions are not disclosed

23 Ultimate parent undertaking and controlling party

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