

REGISTRAR'S COPY

COMPANY NUMBER 3515570

ST MARK HOMES CAPITAL PLC

Financial Statements

Period Ended

30 September 1998



BDO

BDO Stoy Hayward
Chartered Accountants

ST MARK HOMES CAPITAL PLC

Report and financial statements for the period ended 30 September 1998

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Directors

Mr B J Tansey
Mr S Ryan
Mr M Chicken
Mr W Gair

Secretary

Mr B B Tansey

Registered office

8 Baker Street
London
W1M 1DA

Company number

3515570

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA

ST MARK HOMES CAPITAL PLC

Report of the directors for the period ended 30 September 1998

The directors present their report together with the audited financial statements for the period ended 30 September 1998.

Incorporation

The company was incorporated on 18 February 1998 as Mizen Homes I Plc. The company changed its name to St Mark Homes Capital Plc on 17 August 1998.

Results and dividends

The profit and loss account is set out on page 4.

Principal activities, trading review and future developments

The company had not commenced its house building trade at the period end, but had commenced raising capital through a public offer of securities. As at 5 April 1999, this offer had raised £2,901,197 before issue expenses.

On 22 February 1999 the company commenced its first building contract at Ensign Street, London E1.

Directors

The directors of the company during the period were as follows:

Mr B J Tansey	(appointed 18 February 1998)
Mr S Ryan	(appointed 18 February 1998)
Mr M Chicken	(appointed 20 August 1998)
Mr W Gair	(appointed 20 August 1998)

In addition, Swift Incorporations Limited and Instant Companies Limited were appointed first directors on incorporation and resigned on 18 February 1998

Other than Mr M Chicken, who held 1 ordinary share and 50,000 redeemable preference shares of £1 each as to one quarter paid up, none of the directors had any interest in the shares in the period under review.

Directors' responsibilities

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 departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ST MARK HOMES CAPITAL PLC

Report of the directors for the period ended 30 September 1998 (*Continued*)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward, who were appointed the first auditors to the company, have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

Mr B. Tansey
Secretary



14 April 1999

Report of the auditors

To the shareholders of St Mark Homes Capital PLC

We have audited the financial statements on pages 4 to 7 which have been prepared under the accounting policy set out on page 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 of the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1998 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

14 April 1999

ST MARK HOMES CAPITAL PLC

Profit and loss account for the period ended 30 September 1998

	Note	1998 £
Administrative expenses		(500)
Operating loss		(500)
Interest receivable		5
Accumulated loss on ordinary activities	2	(495)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.


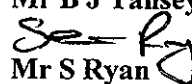
The notes on pages 6 and 7 form part of these financial statements.

ST MARK HOMES CAPITAL PLC

Balance sheet at 30 September 1998

	Note	1998 £
Current assets		
Cash at bank and in hand		303,006
Creditors: amounts falling due within one year	4	(291,000)
		<u>12,006</u>
Net current assets		
Capital and reserves		
Called up share capital	5	12,501
Profit and loss account		(495)
		<u>12,006</u>
Shareholders' funds	6	<u>12,006</u>

The financial statements were approved by the Board on 14 April 1999


Mr B J Tansey

Mr S Ryan } Directors

The notes on pages 6 and 7 form part of these financial statements.

ST MARK HOMES CAPITAL PLC

Notes forming part of the financial statements for the period ended 30 September 1998

1 Accounting policy

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

2 Loss on ordinary activities before taxation

This is arrived at after charging:

	£
Auditors' remuneration	500
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3 Employees

There were no staff costs incurred during the period.

4 Creditors: amounts falling due within one year

	£
Other creditors	291,000
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Other creditors include £290,500 received in respect of share applications pursuant to a public offer of shares which was launched on 2 September 1999. None of the shares relating to this public offer were allotted at the period end.

The company continued to raise funds pursuant to the public offer after the 30 September 1998. As at 5 April 1999, the company had allotted 2,901,197 ordinary shares of 50p each at a premium of 50p, including the 290,500 shares applied for prior to 30 September 1998.

5 Share capital

	Authorised £	Allotted, called up and fully paid £
10,900,000 ordinary shares of 50p each	5,450,000	1
81 'A' ordinary shares of 50p each	40	-
50,000 redeemable preference shares of £1 each	50,000	12,500
	<hr/>	<hr/>
	5,500,040	12,501
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During the period, 50,000 partly paid £1 redeemable preference shares were issued at £0.25.

ST MARK HOMES CAPITAL PLC

Notes forming part of the financial statements for the period ended 30 September 1998 *(Continued)*

6	Reconciliation of movements in shareholders' funds	£
	Loss for the financial period	(495)
	Issue of share capital (note 5)	12,501
		<hr/>
	Shareholders' funds at 30 September 1998	12,006
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