

Companies House

St Mark Homes Capital Plc

Report and Financial Statements

Year Ended

30 September 2003



IBDO
BDO Stoy Hayward
Chartered Accountants

St Mark Homes Capital Plc

Annual report and financial statements for the year ended 30 September 2003

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Directors

Bernard J Tansey
Sean Ryan
Michael Chicken
William Gair

Secretary and registered office

Barry B Tansey, 109 Wembley Hill Road, Wembley, Middlesex, HA9 8DA

Company number

3515570

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

St Mark Homes Capital Plc

Report of the directors for the year ended 30 September 2003

The directors have pleasure in submitting the Annual Report to the shareholders, together with the audited financial statements for the year ended 30 September 2003.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors recommend the payment of a final dividend of £1,387.11 (2002 - £nil) per "A" ordinary share, based on the level of distributable profits, as noted by note 8. The directors do not propose an ordinary share dividend for the period.

Principal activities, review of business and future developments

The company continued to operate as a builder of residential property during the period. Our contracts at Harrow on The Hill, Middlesex and in Shoreditch, Central London were substantially advanced at the year-end. The Shoreditch scheme has recently been completed and Harrow project will finish during the next quarter. The company recognised profits on these projects during the year resulting in the best ever turnover, gross and net profit. The Directors believe that the results are satisfactory.

In line with commitments given at the time of our initial share offer, the directors have commenced a consultation exercise with shareholders on the future of the company. The structure of the company may be altered and areas of trade extended as a result of these consultations. The Directors believe the future outlook for the company is satisfactory.

Policy and practice on the payment of creditors

It is the company's policy to fix terms of payment with their suppliers when agreeing the terms of each business transaction, to ensure the supplier is aware of those and to abide by the agreed terms of payment.

The average trade creditors payment period at 30 September 2003 was 43 days.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	2002 and 2003	
	Ordinary "A" 50p shares	Ordinary 50p shares
Bernard J Tansey	40	50,000
Sean Ryan	20	25,000
Michael Chicken	1	1
William Gair	-	-

St Mark Homes Capital Plc

Report of the directors for the year ended 30 September 2003 (*Continued*)

Treasury policy

Operations have been financed by the issue of shares, the cash from which has been invested in short term cash deposits, and by bank borrowings. In addition, various financial instruments such as trade debtors and creditors arise directly from the company's operations.

Further information on financial instruments is contained in note 19 to the financial statements

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 year. 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; and


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 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

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

On behalf of the board



Sean Ryan
Director

Date: 27th February 2004

St Mark Homes Capital Plc

Report of the independent auditors

To the shareholders of St Mark Homes Capital Plc

We have audited the financial statements of St Mark Homes Capital Plc for the year ended 30 September 2003 on pages 5 to 17 which have been prepared under the accounting policies set out on pages 8 to 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom 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 company 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit 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.

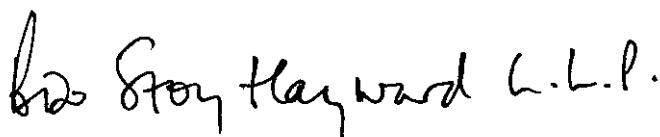
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

St Mark Homes Capital Plc

Report of the independent auditors (*Continued*)

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Handwritten signature in black ink that reads "BDO Stoy Hayward L.L.P." with a stylized flourish at the end.

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditor*
London

Date: 27th February 2004

St Mark Homes Capital Plc

Profit and loss account for the year ended 30 September 2003

	Note	2003 £	2002 £
Turnover	2	4,132,191	948,163
Cost of sales		3,321,102	925,502
		<hr/>	<hr/>
Gross profit		811,089	22,661
Administrative expenses		214,751	162,896
		<hr/>	<hr/>
Operating profit/(loss)	3	596,338	(140,235)
Other interest receivable and similar income		45,794	98,672
Interest payable and similar charges	6	(1,481)	(1,055)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		640,651	(42,618)
Taxation on profit/(loss) on ordinary activities	7	(155,369)	8,344
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation		485,282	(34,274)
Dividends	8	112,356	-
		<hr/>	<hr/>
Retained profit/(loss)	13	372,926	(34,274)
Retained profit brought forward	13	392,566	426,840
		<hr/>	<hr/>
Retained profit carried forward	13	765,492	392,566
		<hr/>	<hr/>
Earnings per share			
"A" ordinary shares	18	£1,387	-
Ordinary Shares	18	£0.12	(£0.01)
		<hr/>	<hr/>

All amounts relate to continuing activities.

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

There are no movements in shareholders' funds in the current and prior year apart from the profit/loss for the year.

The notes on pages 8 to 17 form part of these financial statements.

St Mark Homes Capital Plc

Balance sheet at 30 September 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	9		3,411		4,198
Current assets					
Debtors	10	5,006,782		940,780	
Cash at bank and in hand				2,556,867	
		<u>5,006,782</u>		<u>3,497,647</u>	
Creditors: amounts falling due within one year	11	<u>1,409,63</u>		<u>274,213</u>	
Net current assets			<u>3,597,147</u>		<u>3,223,434</u>
Total assets less current liabilities			<u>3,600,558</u>		<u>3,227,632</u>
Capital and reserves					
Called up share capital	12		1,536,640		1,536,640
Share premium account	13		1,298,426		1,298,426
Profit and loss account	13		765,49		392,566
Equity shareholders' funds	20		<u>3,600,558</u>		<u>3,227,63</u>

The financial statements were approved by the Board on 27th February 2004.



Sean Ryan
Director

The notes on pages 8 to 17 form part of these financial statements.

St Mark Homes Capital Plc

Cash flow statement for the year ended 30 September 2003

	Note	2003 £	2003 £	2002 £	2002 £
Net cash (outflow)/inflow from operating activities	15		(3,175,020)		398,732
Returns on investments and servicing of finance					
Interest received		45,794		98,672	
Interest paid		(1,481)		(1,055)	
Net cash inflow from returns on investments and servicing of finance			44,313		97,617
Taxation					
Corporation tax paid			-		(34,109)
Equity dividend paid			-		(10,630)
Cash (outflow)/inflow before use of liquid resources			(3,130,707)		451,610
Management of liquid resources					
Decrease/(increase) in short term deposits			2,700,000		(800,000)
Decrease in cash	16		(430,707)		(348,390)

The notes on pages 8 to 17 form part of these financial statements.

1 Accounting policies

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

The following principal accounting policies have been applied:

Turnover

Turnover represents the amounts recoverable on contracts with developers.

The company contracts with developers on a cost plus basis with a guaranteed maximum price. Profit is taken on these contracts while the contract is in progress having regard to:

- the proportion of the total projected contract costs which has been incurred at the balance sheet date
- the anticipated final costs of the development and
- the evidence of the commercial success of the development.

Provision is made for all foreseeable losses.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets on a reducing balance basis over their expected useful lives. It is calculated at the following rates:

Office Equipment	- 25% per annum
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Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

The recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Rentals paid under operating leases are charged against income as incurred.

1 Accounting policies (*continued*)

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits

2 Turnover, profit and net assets

Turnover, profit and net assets are wholly attributable to the principal activity of the company and arise solely within the United Kingdom .

3 Operating profit/(loss)

	2003 £	2002 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	787	1,399
Hire of plant and machinery	112,530	34,217
Auditors' remuneration -audit	6,375	5,500
Auditors' remuneration -non audit services	2,600	7,962
	<hr/>	<hr/>

4 Employees

Staff costs (including directors) consist of:

	2003 £	2002 £
Wages and salaries	60,843	55,323
Social security costs	5,833	3,655
	<hr/>	<hr/>
	66,676	58,978
	<hr/>	<hr/>

The average number of employees (including directors) during the year was 8 (2002 - 6).

St Mark Homes Capital Plc

Notes forming part of the financial statements for the year ended 30 September 2003 (*Continued*)

5 Directors' remuneration

	2003 £	2002 £
Directors' emoluments	25,100	25,063

6 Interest payable and similar charges

	2003 £	2002 £
Bank loans and overdrafts	1,481	1,055

7 Taxation on profit/(loss) on ordinary activities

	2003 £	2002 £
<i>UK Corporation tax</i>		
Current tax on profit/(loss) for the current year	155,369	(8,344)

The tax assessed for the period is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2003 £	2002 £
Profit/(loss) on ordinary activities before tax	640,651	(42,618)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2002 - 20%)	192,195	(8,524)
Effect of:		
Expenses not deductible for tax purposes	441	120
Capital allowances for period in excess of depreciation	(11)	60
Utilisation of tax losses	(12,516)	-
Marginal relief	(24,740)	-
Current tax charge/(credit) for period	155,369	(8,344)

St Mark Homes Capital Plc

Notes forming part of the financial statements for the year ended 30 September 2003 (Continued)

8 Dividends

	2003 £	2002 £
<i>Equity shares</i>		
Ordinary shares		
Final proposed of £1,387.11 (2002 - nil) per "A" ordinary share	112,356	-
	<u> </u>	<u> </u>

The 81 "A" ordinary shares have met the conditions in the Articles of Association whereby holders are entitled to a dividend based on a formula, which is itself based on the level of available distributable profits.

9 Tangible fixed assets

	Office equipment £
<i>Cost</i>	
At 1 October 2002 and 30 September 2003	11,328
<i>Depreciation</i>	
At 1 October 2002	7,130
Provided for the year	787
	<u> </u>
At 30 September 2003	7,917
<i>Net book value</i>	
At 30 September 2003	3,411
	<u> </u>
At 30 September 2002	4,198
	<u> </u>

10 Debtors

	2003 £	2002 £
Trade debtors	17,817	92,361
Corporation tax recoverable	-	8,344
Other debtors	112,246	65,891
Prepayments and accrued income	16,628	32,629
Amounts recoverable on contracts	4,860,091	741,555
	<u>5,006,782</u>	<u>940,780</u>

All amounts shown under debtors fall due for payment within one year.

11 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	573,840	-
Trade creditors	523,505	251,280
Corporation tax	147,026	-
Other taxation and social security	17,231	2,409
Proposed dividend	112,356	-
Accruals and deferred income	35,677	20,524
	<u>1,409,635</u>	<u>274,213</u>

The company's overdraft is secured against the assets of the company.

12 Share capital

	2003 £	2002 £
<i>Authorised</i>		
<i>Equity share capital</i>		
11,000,000 Ordinary shares of 50p each	5,500,000	5,500,000
81 "A" Ordinary shares of 50p each	40	40
	<u>5,500,040</u>	<u>5,500,040</u>

12 Share capital (*continued*)

	2003 £	2002 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
3,073,200 Ordinary shares of 50p each	1,536,600	1,536,600
81 "A" Ordinary shares of 50p each	40	40
	<hr/>	<hr/>
	1,536,640	1,536,640
	<hr/>	<hr/>

The "A" ordinary shares rank *pari passu* with the ordinary shares in all respects except for the following:

- (a) Dividends are payable on the "A" ordinary shares, based on a formula depending on the level of available distributable profits, as stated in the Articles of Association.
- (b) The 81 "A" ordinary shares rank in priority to the ordinary shares on a winding up.

13 Reserves

	Share premium account £	Profit and loss account £
At 1 October 2002	1,298,426	392,566
Profit for the year	-	372,926
	<hr/>	<hr/>
At 30 September 2003	1,298,426	765,492
	<hr/>	<hr/>

14 Related party disclosures

Related party transactions and balances

(a) Mizen Properties Limited

- Office rental, rates and service charges of £16,869 (2002 : £13,134) were paid to Mizen Properties Limited.
- £16,000 (2002 : £14,153) was paid to Mizen Properties Limited for the provision of project management and engineering services provided by Bernard J Tansey.
- During the year the company had ongoing contracts with Mizen Properties Limited at Roxborough Park, Harrow and Waterson Street, E2.

Total costs of £4,050,077 (2002: £741,555) had been incurred on these projects at the year end. Costs of £3,308,522 have been incurred during the year, these are included within cost of sales.

Included in debtors are amounts recoverable on contracts of £4,860,091 (2002 : £741,555) which relate to Roxborough Park and and Waterson Street.

Bernard J Tansey is a director of the above company.

(b) Ryan Heaphy & Co Limited

- £36,680 (2002 : £30,501) was paid to the above company for the provision of accountancy, IT, project and quality management services.

Sean Ryan is a shareholder (80%) and director of the above company.

(c) E-Hub.Com Plc

- £7,000 (2002 : £5,250) was paid to the above company for the provision of IT services.

Sean Ryan is a shareholder (0.6%) and director of the above company.

(d) St Mark Homes II Plc

- £6,000 (2002: £nil) of costs were incurred from the above company for the provision of a forklift truck. At the year end £6,000 (2002: £nil) was outstanding.
- £17,239 (2002: £nil) of costs were incurred from the above company for the supply of administrative staff. At the year end £17,239 (2002: £nil) was outstanding.

Bernard J Tansey, Sean Ryan, Michael Chicken and William Gair are directors of the above company.

14 Related party disclosures (*continued*)

(e) Mizen Homes Limited

- During 2001, the company entered into a contract with Mizen Homes Limited to build 14 residential properties at Redmans Road, London, E1. £67,000 (2002 £1,418,375) was received during the year and £14,722 (2002: £86,773) was outstanding at the year end.

Barry B Tansey is a shareholder (99%) and director of the above company.

All transactions above were conducted on normal commercial terms.

15 Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities

	2003 £	2002 £
Operating profit/(loss)	596,338	(140,235)
Depreciation of tangible fixed assets	787	1,399
(Increase)/decrease in debtors	(4,074,346)	472,460
Increase in creditors	302,201	65,108
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(3,175,020)	398,732
	<hr/>	<hr/>

16 Reconciliation of net cash flow to movement in net funds

	2003 £	2002 £
Decrease in cash	(430,707)	(348,390)
Cash (inflow)/outflow from changes in liquid resources	(2,700,000)	800,000
	<hr/>	<hr/>
Movement in net funds	(3,130,707)	451,610
Opening net funds	2,556,867	2,105,257
	<hr/>	<hr/>
Closing net (debt)/funds	(573,840)	2,556,867
	<hr/>	<hr/>

St Mark Homes Capital Plc

Notes forming part of the financial statements for the year ended 30 September 2003 (*Continued*)

17 Analysis of net funds

	At 1 October 2002 £	Cash flow £	At 30 September 2003 £
Bank overdrafts	(143,133)	(430,707)	(573,840)
Short term cash deposits	2,700,000	(2,700,000)	-
Total	<u>2,556,867</u>	<u>(3,130,707)</u>	<u>(573,840)</u>

18 Earnings per share

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of "A" ordinary shares in issue is 81 (2002-81) and the earnings, being profit/(loss) after tax, attributable to this class of share is £112,356 (2002-£nil). The weighted average number of ordinary shares in issue is 3,073,200 (2002 - 3,073,200) and the earnings, being profit/(loss) after tax, attributable to this class of share is £372,926 (2002 - (£34,274)).

There are no potentially dilutive ordinary shares or "A" ordinary shares in issue so no diluted earnings per share have been disclosed.

19 Financial instruments

The treasury policy of the company is referred to in the directors' report.

Floating rate financial assets shown as cash at bank and in hand on the balance sheet of £nil (2002-£2,700,000) comprise cash deposits at monthly rates. There are no fixed rate financial assets.

Floating rate financial liabilities shown as bank loans and overdrafts on the balance sheet of £573,840 (2002-£nil) comprise of bank overdrafts at the banks base rate plus 2.5%. There are no fixed rate financial liabilities.

The company has a bank borrowing facility available to it of £1,100,00. During the previous year there was no facility. The company has committed undrawn bank borrowings amounting to £526,160.

Short term debtors and creditors are not treated as financial assets and liabilities for disclosure purposes.

Amounts for financial assets are stated at fair values. The fair values of financial assets and liabilities are the same as the book values.

20 Reconciliation of movements in shareholder's funds

	2003 £	2002 £
Profit/(loss) for the year	485,282	(34,274)
Dividends	(112,356)	-
	<hr/> 372,926	<hr/> (34,274)
Opening shareholder's funds	3,227,632	3,261,906
	<hr/>	<hr/>
Closing shareholder's funds	3,600,558	3,227,632
	<hr/>	<hr/>