Norfolk Park Limited

Directors' report and
financial statements
Registered number 03867699
30 June 2008

Directors' report and financial statements

Contents

Company information	2
Directors' report	3
Statement of directors' responsibilities	5
Independent auditors' report to the members of Norfolk Park Limited	6
Income statement	7
Balance sheet	8
Statement of changes in shareholders' equity	9
Cash flow statement	9
Notes to the financial statements	10

Company information

The board of directors	P A H Wallwork K D Shivers N C Holt
Company secretary	J E Baldry
Registered office	Integration House Rye Close Ancells Business Park Fleet Hampshire GU51 2QG
Auditors	KPMG Audit Plc Chartered Accountants & Registered Auditor 8 Salisbury Square London EC4Y 8BB

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2008.

Principal activities
The company's principal activities were housing regeneration and house building in the UK.

The Company is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is Integration House, Rye Close, Fleet, Hampshire GU51 2QG.

Business review
Norfolk Park Limited together with Gleeson Regeneration Limited and part of the activities of Gleeson Developments Limited (formerly Gleeson Homes Limited) make up the activities of Gleeson Regeneration & Homes North, a housing and regeneration business of M J Gleeson Group plc.

Gleeson Regeneration & Homes North
During the year, the business unit continued to develop its regeneration sites in Liverpool, Manchester and Sheffield, but reduced its build programme to meet lower market demand. As part of a consortium, the business unit entered into a contract for the provision of housing for private sale on land provided by the Local Authority at North Huyton, Liverpool.

The business unit was also active on four non-regeneration sites during the year, Doe Lea near Chesterfield, Carr Vale in Bolsover, Buxton and a new site at Retford. The build programmes on these sites were also reduced due to the lack of customer demand driven by market conditions.

Dividend
The directors have not recommended a dividend *(2007:£ nil)*.

Key performance indicators
Revenue, operating (loss)/profit and operating margin (defined as operating (loss)/profit expressed as a percentage of revenue) are the key measures of financial performance in the company, and are as follows:

	2008	**2007**
Revenue (£000's)	5,186	11,239
Operating (loss)/profit (£000's)	(1,639)	527
Operating margin	-31.6%	4.7%

In addition to these financial indicators the company monitors other key performance indicators that include health and safety and customer care.

Financial risk management
The performance of the business is subject to a number of risks that are set out below. Risks are reviewed by the board and appropriate processes are put in place to monitor and mitigate them. Key risks include:

Housebuilding	volume, selling price, margin
Housing market	buyer confidence, interest rates, employment levels, general product demand and supply
Land and planning	size and quality of land bank, approvals
Skills training	recruitment, succession, skills and experience

Directors' report *(continued)*

Directors

The directors who served during the year are listed below:

M A Kemp	(resigned 29 February 2008)
E J Lawrie	(resigned 6 September 2007)
P A H Wallwork	
K D Shivers	
N C Holt	(appointed 6 September 2007)

Employees

Motivated and appropriately qualified employees are key to the success of our business. It is our policy to ensure that we provide a safe, professional and stable working environment, that all employees are afforded equal opportunities regardless of their age, sex, colour, race, religion, or ethnic origin and that disabled persons are not disadvantaged.

The Company has employee appraisal schemes in place that facilitate the review of employees' performance with their managers and which seek to identify training and development needs and opportunities.

Confidential employee surveys are conducted periodically to enable employees to comment on all aspects of their work including their environment and job satisfaction in a confidential manner.

A formal malpractice reporting policy has been adopted to allow employees to report in confidence any concerns that they may have to an organisation that is independent from the Company.

Creditor Payment Policy

Payment terms are agreed with the company's suppliers and every effort is made to adhere to these terms. Payments are made when it can be confirmed that goods and/or services have been provided in accordance with the relevant contractual conditions. The company's average trade creditor payment period at 30 June 2008 was 28 days (2007: 39 days).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at a forthcoming General Meeting.

Signed on behalf of the directors

N C Holt
Director

Approved by the directors on 9 December 2008

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 they are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and applicable law.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and the performance of the company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the EU; 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' report that complies with that law and those regulations.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of Norfolk Park Limited

We have audited the financial statements of Norfolk Park Limited ("the Company"), for the year ended 30 June 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Shareholders' Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been 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 whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 IFRSs as adopted by the EU, of the state of the Company's affairs as at 30 June 2008 and of its loss 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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

9 December 2008

Income statement
For the year ended 30 June 2008

	Notes	2008 £000	2007 £000
Revenue		**5,186**	11,239
Cost of sales		**(5,525)**	(10,486)
Gross (loss)/profit		**(339)**	753
Administrative expenses		**(1,300)**	(226)
Operating (loss)/profit		**(1,639)**	527
Financial income	5	**-**	2
(Loss)/profit before taxation	3	**(1,639)**	529
Taxation	6	**3**	(21)
(Loss)/profit for the year		**(1,636)**	508

Balance sheet
As at 30 June 2008

	Notes	**2008** **£000**	2007 £000
Non-current assets			
Investment property	*7*	**242**	242
		242	242
Current assets			
Inventories	*8*	**3,232**	4,083
Trade and other receivables	*9*	**504**	596
		3,736	4,679
Total assets		**3,978**	4,921
Current liabilities			
Trade and other payables	*12*	**(4,214)**	(3,518)
UK corporation tax		**-**	(3)
Total liabilities		**(4,214)**	(3,521)
Net (liabilities)/assets		**(236)**	1,400
Equity			
Ordinary shares	*14*	**-**	-
Retained (deficit)/earnings		**(236)**	1,400
Total equity		**(236)**	1,400

These financial statements were approved by the board of directors on 9 December 2008 and were signed on its behalf by:

N C Holt
Director

Statement of changes in shareholders' equity

For the year ended 30 June 2008

	Ordinary share capital	Retained earnings	Total equity
	£000	£000	£000
Balance at 1 July 2006	-	892	892
Profit for the year	-	508	508
Balance at 30 June 2007	**-**	**1,400**	**1,400**
Loss for the year	-	(1,636)	(1,636)
Balance at 30 June 2008	**-**	**(236)**	**(236)**

Cash flow statement

For the year ended 30 June 2008

	Notes	2008	2007
		£000	£000
Cash flows from operating activities			
Cash used in operations	15	-	(2)
Corporation tax paid		-	-
Net cash used in operating activities		-	(2)
Cash flows from investing activities			
Interest received		-	2
Net cash from investing activities		-	2
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

Notes to the financial statements

1 Accounting policies

Norfolk Park Limited ("Company") is a company incorporated in the United Kingdom.

Statement of compliance

The Company's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

Basis of preparation

Assets and liabilities in the financial statements have been valued at historic cost except where otherwise indicated in these accounting policies.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates include the carrying value of land held for development, investment property, work in progress, amounts recoverable on contracts and the recoverability of trade receivables.

The financial statements have been prepared in accordance with IFRS. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of value added tax.

Private housing sales are recognised on legal completion. Revenue from construction contracts is recognised in accordance with the Company's accounting policy on construction contracts.

Revenue and margin on construction contracts are recognised by reference to the stage of completion of the contract at the accounts date. The stage of completion is determined by valuing the cost of the work completed at the accounts date and comparing this to the total forecasted cost of the contract. Full provision is made for all forecasted losses. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and that they are capable of being reliably measured.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Investment property

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are stated at their fair values at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

On the sale of a unit the Company includes in its investment properties the freehold reversionary interest at a multiple of the annual ground rent receivable, which approximates to the current market value, with a corresponding credit to cost of sales.

No depreciation has been provided on investment properties.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Deferred land purchases are included in inventories at their net present values at original purchase date.

Amounts due from construction contract customers

Amounts due from construction contract customers represent the value of work carried out at the balance sheet date, (see revenue recognition accounting policy) less a provision for foreseeable losses less progress billings.

Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Tax (continued)

Deferred tax is provided on temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the values used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and the Group can control the timing of the reversal. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Employee benefits

Obligations for contributions to defined contribution pension schemes are charged to the income statement in the period to which the contributions relate.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue to trade for the foreseeable future. The company is dependent on the continuing support of the company's ultimate parent undertaking to make available such funds as are needed to enable it to meet its liabilities as they fall due for payment. On the basis of this support the directors believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Adopted IFRS not yet applied
The following Adopted IFRS was available for early application but has not been applied by the Company in these financial statements.

- IFRS 8 Operating Segments
The Company plans to adopt IFRS 8 in its financial statements for the year ended 30 June 2009. This is not expected to have a significant impact on the financial statements.

2 Segmental information

The Company's turnover and results arose from, and the Company's net assets are deployed in, residential development in the United Kingdom.

3 (Loss)/profit before taxation

	2008	2007
	£000	£000
(Loss)/profit before taxation is stated after charging:		
Staff costs (note 4)	**886**	333

Auditor's remuneration of £10,000 (2007: £10,000) was borne by a fellow group undertaking, Gleeson Developments Limited (formerly Gleeson Homes Limited).

Notes to the financial statements *(continued)*

4 Staff numbers and costs

The average number of employees engaged in residential development was 17 *(2007: 9)*. The aggregate payroll costs of these employees were as follows:

	2008 £000	2007 £000
Wages and salaries	778	294
Social security costs	79	28
Other pension costs (see note 17)	29	11
	886	333

No salaries or wages have been paid to the directors, during the year, or the previous year.

5 Financial income

	2008 £000	2007 £000
Other interest	-	2

6 Taxation

(a) Analysis of (credit)/charge in year

	2008 £000	2007 £000
Current tax:		
UK corporation tax	(3)	3
Deferred tax:		
Origination and reversal of temporary differences	-	18
Tax on (loss)/profit on ordinary activities (note 6 (b))	(3)	21

Notes to the financial statements *(continued)*

6 Taxation (continued)

(b) Factors affecting tax (credit)/charge for year

The tax assessed for the period is lower than the weighted average standard rate of corporation tax in the UK of 29.5% *(2007: 30%)*.

The differences are explained below:

	2008 £000	2007 £000
(Loss)/profit on ordinary activities before tax	**(1,639)**	529
(Loss)/profit on ordinary activities multiplied by weighted average standard rate of corporation tax in the UK of 29.5% (2007: 30%)	**(483)**	159
Effects of:		
Group relief surrendered/(received) from other group undertakings	**138**	(138)
Losses arising in the year not utilised	**342**	-
Total tax (credit)/charge for year (note 6 (a))	**(3)**	21

(c) Factors that may affect future tax charges

Future effective tax rates may vary due to short term timing differences.

Notes to the financial statements *(continued)*

7 Investment property

	Reversionary freehold interests £000
Cost or valuation	
At 1 July 2006	-
Transfer from other group undertakings	242
At 1 July 2007	242
At 30 June 2008	**242**
Depreciation and diminution in value	
At 1 July 2006	-
At 1 July 2007	-
At 30 June 2008	-
Net book value	
At 30 June 2008	**242**
At 30 June 2007	242
At 30 June 2006	-

8 Inventories

	2008 £000	2007 £000
Work in progress	**3,232**	4,083

During the year £250,000 (2007: £Nil) of work-in-progress was written down to its fair value less costs to sell, leaving a remaining value of £3,232,000 (2007: £Nil).

Notes to the financial statements *(continued)*

9 Trade and other receivables

	2008	2007
	£000	£000
Current assets		
Trade receivables	**180**	327
Amounts due from construction contract customers	**241**	-
Other receivables	**83**	269
	504	596

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value and includes an allowance for doubtful debts estimated by the Company's management based on prior experience and their assessment of specific circumstances.

See note 13 for reference to credit risk associated with trade receivables.

10 Construction contracts

	2008	2007
	£000	£000
Contracts in progress at the balance sheet date:		
Amounts due from contract customers included in trade and other receivables	**241**	-
Amounts due to contract customers included in trade and other payables	**-**	-
	241	-
Contract costs incurred plus recognised profits less recognised losses to date	**1,890**	170
Less: progress billings	**(1,649)**	(170)
	241	-

At 30 June 2008, retentions held by customers for contract work amounted to £158,000 *(2007: £154,000).*

11 Deferred taxation

The deferred tax asset recognised by the Company and movements thereon during the current and prior year are as follows:

	IFRS transition adjustments
	£000
At 1 July 2006	18
Charge to income statement	(18)
At 30 June 2007	-
Charge to income statement	-
As at 30 June 2008	-

Notes to the financial statements *(continued)*

12 Trade and other payables

	2008 £000	2007 £000
Current liabilities		
Trade payables	**1,049**	1,609
Amounts due to other group undertakings	**2,952**	1,877
Other payables	**213**	32
	4,214	3,518

The Directors consider that the carrying amount of trade payables approximates to their fair value.

13 Financial instruments

Risk exposure
The Company operates within the central treasury function for the MJ Gleeson Group. The treasury function arranges loans and funding, invests any surplus liquidity and manages financial risk. Further information is provided within the MJ Gleeson Group accounts.

Cash and cash equivalents
Cash and cash equivalents comprises of cash held by the Company. These are managed as part of the central treasury function as described in the MJ Gleeson Group accounts. The carrying amount of these assets equals their fair value.

Credit risk
The Company's principal financial assets are trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables and amounts due from construction contracts. The amounts presented in the balance sheet are net of allowance for doubtful debts, estimated by the Company's management based on prior experience and their assessment of specific circumstances.

The Company has no significant concentration of credit risk.

Notes to the financial statements *(continued)*

13 Financial instruments (continued)

Trade Receivables ageing
The ageing of gross trade receivables at the reporting date was :

	2008	2007
	£000	£000
Not past due	**100**	302
Past due 0-30 days	**22**	1
Past due 31-120 days	**57**	24
Past due 121-365 days	**-**	-
More than one year	**1**	-
	180	327

No other financial assets are past due.

Interest rate risk
The Company is not exposed to variations in interest rates.

Fair values
The fair value of the Company's financial assets and liabilities are not materially different from the carrying values.

Capital management
The Company's primary capital management objective is to ensure that the Group maintains investor, creditor and market confidence, to support its business and to maximise shareholder value.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the financial statements *(continued)*

13 Financial instruments (continued)

Liquidity risk

MJ Gleeson Group Plc has a committed £50,000,000 (2007: £50,000,000) revolving credit facility which runs until June 2010. These facilities are secured against various assets of the Company and Group.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements :

Non-derivative financial liabilities

At 30 June 2008 (£000)

	Carrying amount	Contractual cashflows	6 mths or less	6-12 mths	1-2yrs	2-5yrs	More than 5 years
Trade payables	1,049	1,049	855	65	129	-	-
Other payables	213	213	213	-	-	-	-
Amounts due to group companies	2,952	2,952	2,952	-	-	-	-
	4,214	4,214	4,020	65	129	-	-

At 30 June 2007 (£000)

	Carrying amount	Contractual cashflows	6 mths or less	6-12 mths	1-2yrs	2-5yrs	More than 5 years
Trade payables	1,609	1,609	1,323	95	191	-	-
Other payables	32	32	32	-	-	-	-
Amounts due to group companies	1,877	1,877	1,877	-	-	-	-
	3,518	3,518	3,232	95	191	-	-

14 Called up share capital

	2008 Number of shares	2008 £000	2007 Number of shares	2007 £000
Authorised				
Ordinary shares of £1 each	**998**	**1**	998	1
Class 'A' shares of £1 each	**1**	**-**	1	-
Class 'B' shares of £1 each	**1**	**-**	1	-
	1,000	**1**	1,000	1
Issued and fully paid				
Ordinary shares of £1 each	**2**	**-**	2	-

Notes to the financial statements *(continued)*

15 Cash flows from operating activities

	2008	2007
	£000	£000
Cash flows from operating activities		
(Loss)/profit before taxation	**(1,639)**	529
Adjustments for:		
Financial income	-	(2)
Changes in working capital:		
Decrease in inventories	**851**	4,044
Decrease in trade and other receivables	**92**	42
(Decrease)/increase in trade and other payables	**(379)**	554
Increase/(decrease) in amounts due to other group undertakings	**1,075**	(5,169)
Cash used in operations	-	(2)

16 Contingent liabilities

There are claims outstanding which arise under contracts carried out by the company in the ordinary course of business. It is not possible to predict with any certainty the results of these claims but the directors believe, taking into account counter-claims, claims against third parties and provisions in the accounts, that the outcome will not have a material effect on the company's financial position.

17 Employee benefits

Defined contribution pension plan
M J Gleeson Group plc, the ultimate parent undertaking, operates a defined contribution pension scheme for the benefit of group employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. The pension charge represents contributions payable by the company to the scheme, at rates specified in the plan rules, and amounted to £29,000 (2007: £11,000). There were no outstanding contributions at the beginning and end of the financial year.

18 Related party transactions

The Company has a related party relationship with other subsidiaries and joint ventures of M J Gleeson Group plc together with key management personnel.

The disclosures in this note exclude all short and long term funding between the company and its fellow group undertakings, including transactions paid by the company and recharged to the relevant party. The total of these balances are included within the disclosures of note 12.

Notes to the financial statements *(continued)*

19 Post balance sheet events

Subsequent to the year end the directors have made a review of the carrying values of its land and inventories. Due to changes in market conditions since the year end, the directors have reduced the carrying value of the work in progress by £1,500,000 which will be taken to the Income Statement in the year ending 30 June 2009.

In addition, the directors have taken the decision that, due to the continuing downturn in the markets, the company has to implement a further cost reduction programme which will result in reorganisation costs of £37,000.

20 Ultimate parent undertaking and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of M J Gleeson Group plc (registered in England and Wales), its ultimate parent undertaking.

The smallest and largest group in which the results of the company are consolidated is that headed by M J Gleeson Group plc. The consolidated financial statements of this group may be obtained from the Company Secretary, Integration House, Rye Close, Ancells Business Park, Fleet, Hampshire, GU51 2QG.