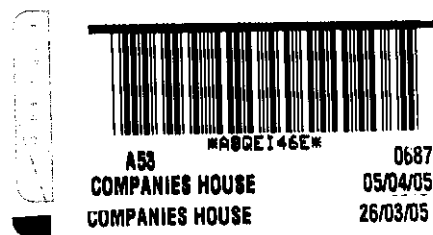


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ROWLEY CONTRACTING 3 LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2004



Company Registration Number 04344381

Tenon Limited
The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

ROWLEY CONTRACTING 3 LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2004

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ROWLEY CONTRACTING 3 LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MAY 2004

The board of directors	Mr. S J Britten Mr. A J Britten
Company secretary	Capital Ventures Limited
Registered office	Whittington Hall Whittington Road Worcester Worcestershire WR5 2ZX
Accountants	Tenon Limited The Old Mill Park Road Shepton Mallet Somerset BA4 5BS

ROWLEY CONTRACTING 3 LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MAY 2004

The directors present their report and the unaudited financial statements of the company for the year ended 31 May 2004.

Principal activities

The company has continued in its principal activity of building construction following its incorporation in December 2001. During the year the company completed a building contract for housing in Rugby and subsequently signed up to a further house building contract in Oldbury.

Directors

The directors who served the company during the year were as follows:

Mr. S J Britten
Mr. A J Britten

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Whittington Hall
Whittington Road
Worcester
Worcestershire
WR5 2ZX

Signed on behalf of the directors



Mr. SJ Britten
Director

Approved by the directors on 22-3-05

ROWLEY CONTRACTING 3 LIMITED

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE
UNAUDITED FINANCIAL STATEMENTS OF ROWLEY CONTRACTING 3
LIMITED**

YEAR ENDED 31 MAY 2004

In accordance with the engagement letter dated 24 January 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet for the year ended 31 May 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.


Tenon Limited
The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

Date:- 22-3-05

ROWLEY CONTRACTING 3 LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MAY 2004

	Note	Year to 31 May 04 £	<i>Period from 21 Dec 01 to 31 May 03 £</i>
Turnover		591,761	282,915
Cost of sales		(574,724)	(266,630)
Gross profit		<u>17,037</u>	<u>16,285</u>
Administrative expenses		(10,800)	(11,126)
Operating profit		<u>6,237</u>	<u>5,159</u>
Interest receivable		269	67
Profit on ordinary activities before taxation		<u>6,506</u>	<u>5,226</u>
Tax on profit on ordinary activities	2	—	(203)
Retained profit for the financial year		<u>6,506</u>	<u>5,023</u>

The notes on pages 7 to 9 form part of these financial statements.

ROWLEY CONTRACTING 3 LIMITED

BALANCE SHEET

31 MAY 2004

	Note	2004 £	£	2003 £	£
Current assets					
Debtors	3	387,788		295,807	
Cash at bank		<u>51,160</u>		<u>92,427</u>	
		438,948		388,234	
Creditors: Amounts falling due within one year	4	<u>(427,418)</u>		<u>(383,210)</u>	
Net current assets			11,530		5,024
Total assets less current liabilities			<u>11,530</u>		<u>5,024</u>
Capital and reserves					
Called-up share capital	6		1		1
Profit and loss account	7		11,529		5,023
Shareholders' funds			<u>11,530</u>		<u>5,024</u>

The Balance sheet continues on the following page.
The notes on pages 7 to 9 form part of these financial statements.

ROWLEY CONTRACTING 3 LIMITED

BALANCE SHEET *(continued)*

31 MAY 2004

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 22-3-05..... and are signed on their behalf by:



Mr. S J Britten
Director

The notes on pages 7 to 9 form part of these financial statements.

ROWLEY CONTRACTING 3 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2004

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax, together with amounts recoverable on long term contract balances as described below under the long term contract balances accounting policy.

Fixed assets

All fixed assets are initially recorded at cost.

Long term contract balances

Long term contract balances classified under the balance sheet heading of 'stocks' are stated at total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and applicable payments on account.

Cumulative turnover (i.e. the total turnover recorded in respect of the contract in the profit and loss accounts of all accounting periods since inception of the contract) is compared with total payments on account. If turnover exceeds payments on account, an 'amount recoverable on contracts' is established and separately disclosed in debtors. If payments on account are greater than turnover to date, the excess is classified as a deduction from any balance on that contract in stocks, with any residual balance in excess of cost being classified with creditors.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2. Taxation on ordinary activities

	Year to 31 May 04 £	<i>Period from 21 Dec 01 to 31 May 03 £</i>
UK Corporation tax	— <u> </u>	203 <u> </u>

ROWLEY CONTRACTING 3 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2004

3. Debtors

	2004	2003
	£	£
Trade debtors	342,695	282,915
VAT recoverable	45,093	11,349
Other debtors	—	1,543
	<u>387,788</u>	<u>295,807</u>

Within trade debtors is amounts of £342,695 (2003: £282,915) with respect to amounts recoverable on long term contracts.

4. Creditors: Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	4,406	20,010
Amounts owed to group undertakings	396,360	352,612
Other creditors including taxation:		
Corporation tax	—	203
Other creditors	24,852	7,585
Accruals and deferred income	1,800	2,800
	<u>427,418</u>	<u>383,210</u>

5. Related party transactions

Controlling party

The company was controlled by its directors Mr SJ & Mr AJ Britten by virtue of them holding the entire issued share capital of the parent company SOCC 26 Limited.

Related party transactions

During the period the company maintained an intercompany account with SOCC 26 Limited. At the balance sheet date, the intercompany account had a credit balance of £396,360, which arose on the net transfer of funds from SOCC 26 Limited to the company in the period. The account is interest free and has no fixed repayment date.

6. Share capital

Authorised share capital:

	2004	2003
	£	£
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

ROWLEY CONTRACTING 3 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2004

7. Profit and loss account

	Year to 31 May 04 £	<i>Period from 21 Dec 01 to 31 May 03 £</i>
Balance brought forward	5,023	–
Retained profit for the financial year	<u>6,506</u>	<u>5,023</u>
Balance carried forward	<u>11,529</u>	<u>5,023</u>

8. Ultimate parent company

The company is a wholly owned subsidiary of SOCC 26 Limited, a company registered in England, which is also the ultimate parent undertaking.