

4609438

## **Banner (Uphill Rd) Limited**

### **Report and Financial Statements**

31 May 2004



**Banner (Uphill Rd) Limited**

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Registered No: 4609438

**Directors**

R G Werth  
J A Kennedy  
K M Bothwell  
P A Bradley

**Secretary**

R A Walbourn

**Auditors**

Ernst & Young LLP  
400 Capability Green  
Luton  
Bedfordshire  
LU1 3LU

**Bankers**

Bank of Scotland  
Beauleerc House  
3 Queens Road  
Reading  
RG1 4AR

**Registered Office**

Riverside House  
Riverside  
Holtspur Lane  
Wooburn Green  
High Wycombe  
Bucks HP10

## Directors' report

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

### Principal activity and review of the business

The company is a wholly owned subsidiary of Banner SPV Limited.

The principal activity of the company is property development.

The directors are satisfied with the company's performance for the year.

### Results and dividends

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

The directors do not recommend the payment of a dividend.

### Future developments

The directors intend to continue the company's activities in property development.

### Directors and their interests

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

RG Werth  
JA Kennedy  
K M Bothwell  
P A Bradley

The directors have no beneficial interest in the share capital of the company.


The directors are also directors of the parent company, Banner SPV Limited. The directors have no interests in the share capital of that company.

### Auditors

At the next AGM Ernst & Young LLP will be resigning and BDO Stoy Haywood will be appointed

By order of the Board

Secretary



26 April 2005

## **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial period 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 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.

## **Independent auditors' report**

**to the members of Banner (Uphill Rd) Limited**

We have audited the company's financial statements for the year ended 31 May 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of 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 auditors' 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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.

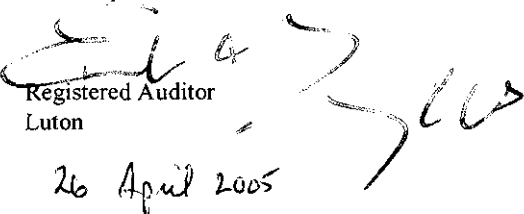
### **Basis of audit opinion**

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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Registered Auditor  
Luton

26 April 2005

# Banner (Uphill Rd) Limited

## Profit and loss account

for the year ended 31 May 2004

		Year ended 31 May 2004	5 December 2002 to 31 May 2003
	Notes	£	£
Administrative expenses		(15)	—
Operating loss		(15)	—
Interest payable and similar charges	3	(790)	(1,210)
<b>Loss on ordinary activities before taxation</b>	4	(805)	(1,210)
Tax on loss on ordinary activities	5	—	—
<b>Retained loss for the financial year</b>	9	(805)	(1,210)

No operations were discontinued in the year under review.

There are no recognised gains or losses in the year other than the result for the year.

## Balance sheet

at 31 May 2004

	Notes	2004 £	2003 £
<b>Current assets</b>			
Stock	6	273,194	253,756
<b>Creditors:</b> amounts falling due within one year	7	(275,109)	(254,866)
<b>Net liabilities</b>		<u>(1,915)</u>	<u>(1,110)</u>
<b>Capital and reserves</b>			
Called-up share capital	8	100	100
Profit and loss account - deficit	9	(2,015)	(1,210)
<b>Equity shareholders' deficit</b>	10	<u>(1,915)</u>	<u>(1,110)</u>

Director



26 April 2005

## Notes to the financial statements

at 31 May 2004

### 1. Accounting policies

#### Basis of accounting

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

The financial statements have been prepared on a going concern basis as facilities are currently made available to Banner SPV Limited, the immediate parent company, by Banner Homers Group PLC, Uberior Ventures Limited and The Governor and Company of the Bank of Scotland which are sufficient to meet the company's obligations as they fall due.

#### Cash flow statement

The parent company, Banner SPV Limited, has prepared a cash flow statement for the year ended 31 May 2004 and accordingly under FRS1 (revised) this company has not prepared its own cash flow statement.

#### Turnover

Turnover represents sales arising from interests in land and development properties (excluding sales of properties taken in part exchange) to customers at completion price (net of VAT) and is recognised on completion.

#### Stocks

Stocks, including land held for development, completed residential properties and work in progress, have been valued at the lower of cost and net realisable value. Cost includes attributable development costs and net realisable value is based on estimated selling price less further costs to completion and disposal.

*Costs incurred in relation to options and conditional contracts held over land are valued at the lower of cost and net realisable value.*

#### Interest payable

Interest payable is written off to the profit and loss account as it is incurred.

#### Taxation

UK Corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all material 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, or a right to pay less, tax in the future have occurred at the balance sheet date, except that deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Related party transactions

As permitted by FRS 8, transactions with entities which are part of the Banner SPV Group are not disclosed in these financial statements, as the company is exempt from the requirement to do so, on the basis of 100% ownership by Banner SPV Limited.

### 2. Employees

Other than its directors, the company had no employees during the year. The directors received no remuneration from the company during the year and the company does not operate a pension scheme.



## Notes to the financial statements

at 31 May 2004

### 3. Interest payable and similar charges

	5 December	
	Year ended	2002
	31 May	to 31 May
	2004	2003
	£	£
On shareholder loans	790	1,210

### 4. Loss on ordinary activities before taxation

Audit fees were borne by Banner SPV Limited, the immediate parent undertaking. Banner SPV Limited pays an annual fee to Banner Homes Group PLC for the audit fees incurred on behalf of Banner SPV Limited and its subsidiaries.

### 5. Tax on loss on ordinary activities

#### a) Analysis of tax charge in the year

	5 December	
	Year ended	2002
	31 May	to 31 May
	2004	2003
	£	£
Current tax:		
UK corporation tax	—	—

No provision has been made for corporation tax recoverable as consideration for the losses that have been surrendered to shareholder owned companies will be received in the year after the surrender of losses.

#### b) Factors affecting the tax charge for the year

The tax on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are reconciled below:

	5 December	
	Year ended	2002
	31 May	to 31 May
	2004	2003
	£	£
Loss on ordinary activities before tax at the standard rate of corporation tax in the UK	(242)	(363)
Tax loss utilised by related shareholder owned undertakings	242	363
Current tax charge (note 5(a))	—	—

## Notes to the financial statements

at 31 May 2004

### 6. Stock

	<i>Year ended 31 May 2004 £</i>	<i>5 December 2002 to 31 May 2003 £</i>
Land and work in progress	273,194	253,756

### 7. Creditors: amounts falling due within one year

	<i>2004 £</i>	<i>2003 £</i>
Amounts owed to parent undertaking	271,159	250,785
Accruals and deferred income	6	137
Other creditors	3,944	3,944
	<u>275,109</u>	<u>254,866</u>

### 8. Called up share capital

	<i>2004 £</i>	<i>2003 £</i>
Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	<i>2004 £</i>	<i>2003 £</i>
Allotted, called up and fully paid 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

### 9. Reserves

	<i>Profit and loss account £</i>
At 1 June 2003	(1,210)
Loss for the year	(805)
At 31 May 2004	<u>(2,015)</u>

## Notes to the financial statements

at 31 May 2004

### 10. Reconciliation of movement in shareholders' funds

	<i>5 December</i>	
	<i>Year ended</i>	<i>2002</i>
	<i>31 May</i>	<i>to 31 May</i>
	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Opening shareholders funds	(1,110)	–
Issue of ordinary shares	–	100
Retained loss for the year	(805)	(1,210)
Closing shareholders' funds	<u>(1,915)</u>	<u>(1,110)</u>

### 11. Parent undertaking

The smallest group in which these financial statements are consolidated is that headed by Banner SPV Limited. Copies of that company's financial statements are available from Companies House.

At 31 May 2004, the 10,000 ordinary shares issued in Banner SPV Limited, the company's immediate parent company, are held in the following proportion:

	<i>2004</i>		<i>2003</i>	
	<i>No. of shares</i>	<i>% Proportion</i>	<i>No. of shares</i>	<i>% Proportion</i>
Uberior Ventures Limited	20,000	50	20,000	50
Banner Homes Group PLC	20,000	50	20,000	50
	<u>40,000</u>	<u>100</u>	<u>40,000</u>	<u>100</u>

### 12. Related party transaction

Banner Homes Group PLC and Uberior Ventures Limited are related parties of Banner (Uphill Rd) Limited by virtue of their investment in Banner SPV Limited, as detailed in note 11.

Their investment consists of shareholdings and loans in Banner SPV Limited.

The company entered into transactions with related parties during the year as follows:

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Interest recharged by Banner SPV Limited to the company on the Banner Homes Group PLC shareholder loan at the rate of 5% per annum (2003: 25%)	395	605
Interest recharged by Banner SPV Limited to the company on the Uberior Investments PLC shareholder loan at the rate of 5% per annum (2003:25%)	<u>395</u>	<u>605</u>

All of the above amounts are outstanding at the year end. In addition losses have been surrendered to shareholder owned companies for which consideration is received in the year after the surrender of losses.