

Eastside & City Developments Limited

Financial statements

For the year ended 30 June 2005



Company No. 04813998

Company information

Company registration number	04813998
Registered office	The Clockhouse Frogmoor HIGH WYCOMBE Buckinghamshire HP13 5DL
Directors	Mr D A Johnson Mr D C L Miller Mr J M Holmes Mr N H Brunskill Mr R M Pilkington Ms A Stewart
Secretary	Mr C Pipe
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1 Westminster Way OXFORD OX2 0PZ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2005.

Principal activities and business review

The company is principally engaged in the development of sites in the Eastside of Nottingham.

There was a profit for the period after taxation amounting to £3,816 (2004: loss of £3,816).

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Directors

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

Mr D A Johnson	
Mr D C L Miller	
Mr N H Brunskill	
Mr R M Pilkington	
Mr J M Holmes	(Appointed 29 July 2004)
Ms A Stewart	(Appointed 24 January 2005)
Mr A Lakhani	(Served from 29 July 2004 to 24 April 2005)

None of the directors had any interest in the shares of Laing O'Rourke Capital Limited and the interests of the directors in Roxylight Holdings Limited are shown in the accounts of that company.

Directors' responsibilities

United Kingdom 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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

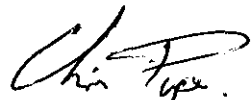
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



C Pipe

Secretary

28 September 2006

Report of the independent auditors to the members of Eastside & City Developments Limited

We have audited the financial statements of Eastside & City Developments Limited for the year ended 30 June 2005 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 16. 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 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

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and 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 report of the directors 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 other information contained in the report of the directors 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 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.

Report of the independent auditors to the members of Eastside & City Developments Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

OXFORD

3 October 2006

Principal accounting policies

Basis of accounting

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

The directors have prepared the financial statements on a going concern basis. The company is supported by its parent undertaking, Galleondeal Limited.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of the business with outside customers for the sale of property and land.

Sales of property are recognised on completion.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 20% straight line
Computer equipment	- 25% straight line

Stock

Land and developments held as trading stock are valued at the lower of direct cost plus attributable overheads, including finance charges, and net realisable value. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of stocks.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity, including the finance costs incurred by the company. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

Profit and loss account

	Note	Year to 30 Jun 05 £	Period from 27 Jun 03 to 30 Jun 04 £
Turnover	2	—	5,769
Cost of sales		—	(2,935)
Gross profit		—	2,834
Other operating charges	3	3,816	(6,650)
Profit/(loss) on ordinary activities before taxation		3,816	(3,816)
Tax on profit/(loss) on ordinary activities	5	—	—
Retained profit/(loss) for the financial year	14	3,816	(3,816)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The accompanying accounting policies are set out from end of these financial statements.

Balance sheet

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	6	<u>80,403</u>	<u>8,090</u>
Current assets			
Stocks	7	21,656,207	15,072,352
Debtors	8	90,844	144,793
Cash at bank and in hand		<u>430,108</u>	<u>46,892</u>
		<u>22,177,159</u>	<u>15,264,037</u>
Creditors: amounts falling due within one year	9	<u>5,032,130</u>	<u>2,774,943</u>
Net current assets		<u>17,145,029</u>	<u>12,489,094</u>
Total assets less current liabilities		<u>17,225,432</u>	<u>12,497,184</u>
Creditors: amounts falling due after more than one year	10	<u>17,224,432</u>	<u>12,500,000</u>
		<u>1,000</u>	<u>(2,816)</u>
Capital and reserves			
Called-up equity share capital	13	1,000	1,000
Profit and loss account	14	—	(3,816)
Shareholders' funds/(deficiency)	15	<u>1,000</u>	<u>(2,816)</u>

These financial statements were approved by the directors on 28 September 2006 and are signed on their behalf by:



Mr N H Brunskill

Notes to the financial statements

1 Costs incurred

During the year £854,581 (2004: £188,744) interest payable and similar charges on loans has been included within stock.

An audit fee of £4,500 (2004: £5,500) has been charged for this accounting period.

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	Year to 30 Jun 05 £	Period from 27 Jun 03 to 30 Jun 04 £
United Kingdom	—	5,769

3 Other operating income and charges

	Year to 30 Jun 05 £	Period from 27 Jun 03 to 30 Jun 04 £
Administrative expenses	(3,816)	6,650

4 Directors and employees

There were no employees of the company during the years ended 30 June 2005 or 30 June 2004.

5 Taxation on ordinary activities

Factors affecting current tax charge

	Year to 30 Jun 05 £	Period from 27 Jun 03 to 30 Jun 04 £
Profit/ (loss) on ordinary activities before taxation	3,816	(3,816)
Profit/ (loss) on ordinary activities by rate of tax	725	(725)
Expenses not deductible for tax purposes	—	725
Depreciation in excess of capital allowances	10,159	—
Losses surrendered for group relief	(10,884)	—
Total current tax	—	—

6 Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 July 2004	9,421	—	9,421
Additions	3,988	76,447	80,435
At 30 June 2005	<u>13,409</u>	<u>76,447</u>	<u>89,856</u>
Depreciation			
At 1 July 2004	1,331	—	1,331
Charge for the year	2,038	6,084	8,122
At 30 June 2005	<u>3,369</u>	<u>6,084</u>	<u>9,453</u>
Net book value			
At 30 June 2005	<u>10,040</u>	<u>70,363</u>	<u>80,403</u>
At 30 June 2004	<u>8,090</u>	<u>—</u>	<u>8,090</u>

7 Stocks

	2005 £	2004 £
Work in progress	<u>21,656,207</u>	<u>15,072,352</u>

8 Debtors

	2005 £	2004 £
Other debtors	49,765	138,219
Prepayments and accrued income	41,079	6,574
	<u>90,844</u>	<u>144,793</u>

9 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to related undertakings	33,101	100,368
Trade creditors	430,250	89,878
Amounts owed to group undertakings	4,105,433	2,303,645
Other creditors	7,635	—
Accruals and deferred income	455,711	281,052
	<u>5,032,130</u>	<u>2,774,943</u>

10 Creditors: amounts falling due after more than one year

	2005	2004
	£	£
Bank loans	<u>17,224,432</u>	<u>12,500,000</u>

Bank loans are secured by a fixed and floating charge over the company's assets.

11 Contingent liabilities

There were no contingent liabilities at 30 June 2005 or 30 June 2004.

12 Related party transactions

During the period £1,836,788 (2004: £2,268,645) of costs were borne by Galleondeal Limited, which owns 75% of the share capital of the company, the amount remains unpaid as at 30 June 2005.

During the period £nil (2004: £35,000) of costs were borne by Artillery Mansions Limited, a joint controlling related party of Galleondeal Limited.

During the period £739,583 (2004: £48,250) of costs were borne by Saxon Developments Limited, a company with common ultimate ownership, the amount was fully repaid during the period.

During the period £nil (2004: £51,631) of costs were borne by Edmond Homes Limited, a company with common ultimate ownership.

During the period £609,656 (2004: £nil) of management fees were charged by Roxylight Limited, a company with common ultimate ownership, of which £7,149 remains unpaid at 30 June 2005.

During the period £82,250 (2004: £nil) of management fees were charged by Roxylight Group Services Limited, a company with common ultimate ownership, of which £40,250 remains unpaid at 30 June 2005.

13 Share capital

Authorised share capital:

	2005	2004
	£	£
750 Ordinary 'A' shares of £1 each	750	750
250 Ordinary 'B' shares of £1 each	250	250
	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary 'A' shares of £1 each	750	750	750	750
Ordinary 'B' shares of £1 each	250	250	250	250
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

13 Share capital (continued)

The "A" and "B" shares rank pari passu.

14 Profit and loss account

	Year to 30 Jun 05 £	Period from 27 Jun 03 to 30 Jun 04 £
Balance brought forward	(3,816)	—
Retained profit/(accumulated loss) for the financial year	3,816	(3,816)
Balance carried forward	—	(3,816)

15 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit/(loss) for the financial year	3,816	(3,816)
New equity share capital subscribed	—	1,000
Net addition/(reduction) to shareholders' equity deficit	3,816	(2,816)
Opening shareholders' equity deficit	(2,816)	—
Closing shareholders' equity funds/(deficit)	1,000	(2,816)

16 Ultimate parent company and controlling related party

Galleondeal Limited is the company's controlling related party by virtue of a 75% holding of its issued ordinary share capital.

The largest group of undertakings for which group accounts have been drawn up is that headed by Roxylight Holdings Limited which is incorporated in England and Wales.