

Company Number 04873162

Urban Solutions (Cardiff) Limited

Annual Report

For the nine month period ended 31 March 2005



Urban Solutions (Cardiff) Limited

Annual Report

For the period ended 31 March 2005

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Urban Solutions (Cardiff) Limited

Directors, Officers and Advisors

Directors	RG Selby H Selby BA Radia A Dave RM Pilkington JG Spetch DA Johnson
Secretary	H Selby
Company Number	04873162
Registered Office and Business Address	Mowbray House 58-70 Edgware Way Edgware Middlesex HA8 8DJ
Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Bankers	The Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB

Urban Solutions (Cardiff) Limited

Directors' Report

For the period ended 31 March 2005

The directors present their annual report together with the audited financial statements of Urban Solutions (Cardiff) Limited for the period ended 31 March 2005.

Principal Activity and Review of Business

The principal activity of the business is the development of real estate. In October 2003 the company acquired the premises at Wood St, Cardiff.

On 27 January 2005, Laing O'Rourke Portfolio Projects Limited acquired 50% of the share capital of the company. The company is a joint venture between Laing O'Rourke Portfolio Projects Limited, Heritage Group Developments Limited and Butterfield Trust (Guernsey) Limited.

During the period, the company changed its accounting reference date from 30 June to 31 March to align with the accounting reference date of its joint venture partners.

Directors and their Interests

The current membership of the board is as set out in the list of the directors, officers and advisors on page 1. None of the directors has an interest in the shares of the company. Details of appointments and resignations to the Board are as follows:

RM Pilkington	appointed 27 January 2005
JG Spetch	appointed 27 January 2005
DA Johnson	appointed 27 January 2005

Statement of Directors' Responsibilities for the Annual Report

Company law in the United Kingdom 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 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 United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 have a 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.

Auditors

Lanham and Company resigned as auditors during the period and the directors appointed PricewaterhouseCoopers LLP as auditors to the company. A resolution for their reappointment will be proposed at the Annual General Meeting.

Approval

This report was approved by the Board on 27 January 2006 and signed on its behalf by



H Selby
Director

Urban Solutions (Cardiff) Limited

**Independent Auditors' Report to the Members of
Urban Solutions (Cardiff) Limited**

We have audited the financial statements which comprise the profit and loss account, balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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 the company's affairs as at 31 March 2005 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

**PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London**

20 March 2006

Urban Solutions (Cardiff) Limited

Profit and Loss Account
For the period ended 31 March 2005

	Note	1 July 2004 to 31 March 2005 £	20 August 2003 to 30 June 2004 £
Turnover		-	-
Administrative expenses	2	3,000	500
Operating loss on ordinary activities before taxation		(3,000)	(500)
Tax on loss on ordinary activities	4	-	-
Deficit for period	10	(3,000)	(500)

Urban Solutions (Cardiff) Limited

**Balance Sheet
as at 31 March 2005**

	Note	31 March 2005		30 June 2004	
		£	£	£	£
Current assets					
Stock	5	7,590,251		6,028,592	
Debtors	6	30,727		25,265	
Cash at bank		390,109		181	
		<u>8,011,087</u>		<u>6,054,038</u>	
Creditors: amounts falling due within one year	7	<u>8,013,587</u>		<u>6,053,538</u>	
Net current (liabilities) / assets			(2,500)		500
Net (liabilities) / assets			<u>(2,500)</u>		<u>500</u>
Capital and reserves					
Called up share capital	9	1,000		1,000	
Profit and loss reserve	10	(3,500)		(500)	
Equity shareholders' (deficit) / funds	11		<u>(2,500)</u>		<u>500</u>

The financial statements were approved by the Board on 27 January 2006 and signed on its behalf by



RG Selby
Director



RM Pilkington
Director

Urban Solutions (Cardiff) Limited

Notes to Financial Statements

For the nine month period ended 31 March 2005

1 Basis of preparation of accounts

1.1 Basis of preparation of accounts

These financial statements are prepared from 1 July 2004 to 31 March 2005, in accordance with applicable accounting standards under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

As a small company, Urban Solutions (Cardiff) Limited has taken the FRS1 exemption not to prepare a cash flow statement.

1.2 Stock and work in progress

Stock and work in progress, including land and related development activity thereon, are valued at the lower of cost and estimated net realisable value. The cost of work in progress comprises materials, direct and sub-contract labour and attributable production overheads.

2 Operating loss

The operating loss is stated after charging:

	1 July 2004 to 31 March 2005 £	20 August 2003 to 30 June 2004 £
Auditors' remuneration	<u>3,000</u>	<u>500</u>

3 Employees and directors

There were no employees during the period. None of the directors received any remuneration during the period.

4 Tax on loss on ordinary activities

	1 July 2004 to 31 March 2005 £	20 August 2003 to 30 June 2004 £
Current tax:		
UK Corporation tax on loss on ordinary activities	<u>-</u>	<u>-</u>

The tax assessed for the period is higher (2004 : higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	1 July 2004 to 31 March 2005 £	20 August 2003 to 30 June 2004 £
Loss on ordinary activities before tax	3,000	(500)
Loss on ordinary activities multiplied by standard rate in the UK 30% (2004: 30%)	900	150
Effects of:		
Loss available for carry forward	<u>(900)</u>	<u>(150)</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

Urban Solutions (Cardiff) Limited

Notes to Financial Statements For the nine month period ended 31 March 2005

5 Stock

	31 March 2005	30 June 2004
	£	£
Work in progress	<u>7,590,251</u>	<u>6,028,592</u>

6 Debtors: amounts falling due within one year

	31 March 2005	30 June 2004
	£	£
Other debtors	<u>30,727</u>	<u>25,265</u>

7 Creditors: amounts falling due within one year

	31 March 2005	30 June 2004
	£	£
Bank loans	4,172,624	1,785,867
Trade creditors	171,523	170,102
Amounts owed to joint venture partners	831,440	1,011,697
Other creditors	-	75,648
Accrued expenses	<u>2,838,000</u>	<u>3,010,224</u>
	<u>8,013,587</u>	<u>6,053,538</u>

8 Bank and other borrowings due within one year

The following secured debts are included in creditors:

	31 March 2005	30 June 2004
	£	£
Bank loans	4,172,624	1,785,867
Deferred purchase consideration	<u>2,700,000</u>	<u>2,700,000</u>
	<u>6,872,624</u>	<u>4,485,867</u>

Both the bank loans and deferred purchase consideration are secured by charges over the freehold property at Wood Street, Cardiff, which is recorded in stock.

9 Called up share capital

	31 March 2005	30 June 2004
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
1,000 ordinary shares of £1 each	-	1,000
500 ordinary A shares of £1 each	500	-
500 ordinary B shares of £1 each	<u>500</u>	<u>-</u>
	<u>1,000</u>	<u>1,000</u>

The ordinary A and ordinary B shares have equal rights.

Urban Solutions (Cardiff) Limited

Notes to Financial Statements For the nine month period ended 31 March 2005

10 Reserves

	Profit and loss reserve £
At 1 July 2004	(500)
Loss for the period	(3,000)
At 31 March 2005	<u>(3,500)</u>

11 Reconciliation of movement in equity shareholders' (deficit) / funds

	31 March 2005	30 June 2004
	£	£
Opening shareholders' funds	500	-
Shares issued in the period	-	1,000
Deficit for period	<u>(3,000)</u>	<u>(500)</u>
Closing shareholders' (deficit) / funds	<u>(2,500)</u>	<u>500</u>

12 Related party disclosures

Charges during the period by companies associated with Heritage Group Developments Limited and Butterfield Trust (Guernsey) Limited were project management fees totalling £121,000 and interest totalling £37,017. At 31 March 2005, the amount outstanding owed to Heritage Group Developments Limited was £588,845 (£516,106) and to Butterfield Trust (Guernsey) Limited was £242,595 (30 June 2004: 495,591).

Charges during the period by companies associated with Laing O'Rourke Portfolio Projects Limited were construction services totalling £37,927.

The amounts due to the joint venture partners bear interest at 7% to 26 January 2005 and then at UK base rate less 1%.

13 Ultimate parent undertaking

There is no ultimate controlling party. The company is a joint venture between Laing O'Rourke Portfolio Projects Limited, Heritage Group Developments Limited and Butterfield Trust (Guernsey) Limited.