Company Number: 00848808

Gleeson Homes Limited

Financial Statements

for the year ended 30th June 2000

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COMPANIES HOUSE
0350
20/12/00

Registered Office

Haredon House
London Road
North Cheam
Surrey
SM3 9BS

Directors

D J Gleeson
H L Fisher
C M Wilding
C W McLellan

Secretary

S L Seymour

Auditors

Brebner Allen & Trapp
The Quadrangle
180 Wardour Street
London
WIF 8LB

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The directors submit their report together with the audited financial statements for the year ended 30th June 2000.

Directors' Statement

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 and of the profit for that year. 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;

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 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £847,661. After deducting taxation, the profit of £594,361 has been transferred to reserves.

The directors do not recommend a dividend.

Principal Activity and Business Review

The principal activity of the company continued to be that of residential property development.

Turnover for the year ended 30th June 2000 was £5,650,451 (1999 : £2,069,102) and a similar level of activity is expected in the current year.

Directors and their Interests

No director had an interest in the share capital of the company during the year.

D J Gleeson and C W McLellan served as directors throughout the year. Their interests in the shares of the ultimate Parent Company are disclosed in the directors' report of that Company.

Other directors who served during the year and their beneficial interests in the share capital of the Parent Company were as follows:

	2000 No.	1999 No.
H L Fisher - Ordinary shares of 10p each	4,337	3,600
H L Fisher - Options in ordinary shares	6,000	6,000
C M Wilding- Ordinary shares of 10p each	400	400
C M Wilding- Options in ordinary shares	17,000	17,000

In accordance with the Articles of Association, D J Gleeson and C W McLellan retire by rotation and, being eligible, offer themselves for re-election.

Auditors

The directors will put a resolution to the members at the annual general meeting to reappoint Brebner, Allen and Trapp as auditors.

On behalf of the Board:



C W McLellan, Director

1st November 2000

Gleeson Homes Limited

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 30th June 2000

We have audited the financial statements on pages 4 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 30th June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Brebner Allen & Trapp

Brebner Allen & Trapp
Chartered Accountants
and Registered Auditors

The Quadrangle
180 Wardour Street
London
WIF 8LB

1st November 2000

Gleeson Homes Limited

Profit and Loss Account

for the year ended 30th June 2000

	Notes	2000 £	1999 £
Turnover	2	5,650,451	2,069,102
Cost of sales		(4,797,031)	(1,645,480)
Gross profit		853,420	423,622
Administrative expenses		(5,799)	(4,898)
Operating profit	4	847,621	418,724
Interest receivable		40	-
Profit on ordinary activities before Taxation		847,661	418,724
Tax on profit on ordinary activities	5	(253,300)	(128,759)
Profit on ordinary activities after Taxation		594,361	289,965
Retained profit brought forward		405,421	115,456
Retained profit carried forward		999,782	405,421

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Balance Sheet

as at 30th June 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Current Assets					
Stock	6	332,055		1,897,420	
Debtors	7	928,145		540,120	
		1,260,200		2,437,540	
Creditors:					
Amounts falling due within one year	8	(260,318)		(2,032,019)	
Net Current Assets			999,882		405,521
Capital and Reserves					
Share capital	9		100		100
Profit and loss account	10		999,782		405,421
Equity Shareholders' Funds	11		999,882		405,521

These accounts were approved by the board on 16th October 2000.

C W McLellan
Director

The notes on pages 6 to 8 form part of these financial statements.

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Bases of Preparation

As the cashflow statement included in the consolidated accounts of the ultimate parent company complies with the conditions of FRS1 Cashflow Statements, the company is exempt from the requirement to prepare a separate cashflow statement.

Work in Progress

Stocks are valued at the lower of cost and net realisable value, where the cost of work in progress and finished houses is the cost of direct materials and labour plus attributable overheads.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition.

2 Turnover

Turnover represents the proceeds from house sales contractually completed during the year.

3 Directors and Employees

The company has no employees. All direct operatives are employed by M J Gleeson (Payroll Services) Limited. All administration staff are employed by M J Gleeson Group Plc.

4 Operating Profit

The operating profit is stated after charging :

	2000	1999
	£	£
Amounts payable to the auditors in respect of audit services	1,500	-

5 Tax on Profit on Ordinary Activities

	2000	1999
	£	£
Based on the profit for the year:		
U.K. Corporation tax at 20% (1999: 31%)	2,002	61,336
Group relief	251,299	67,423
	253,301	128,759
Prior year adjustments - corporation tax	(1)	-
	253,300	128,759

6 Stocks

	2000	1999
	£	£
Housing work in progress	305,617	1,870,982
Ground rents created	26,438	26,438
	332,055	1,897,420

7 Debtors

	2000	1999
	£	£
Amounts owed by parent undertaking and fellow subsidiary undertakings	767,285	-
Other debtors	160,860	540,120
	928,145	540,120

8 Creditors: Amounts falling due within one year

	2000	1999
	£	£
Amounts owed to parent undertakings and fellow subsidiary undertakings	-	1,715,048
Corporation tax	2,508	61,336
Other creditors	251,299	249,624
Accruals	6,511	6,011
	260,318	2,032,019

9 Share Capital

Authorised, allotted and fully paid

	2000	1999
	£	£
100 Ordinary shares of £1 each	100	100
	100	100

10 Reserves

	Profit and Loss Account
	£
At 1st July 1999	405,421
Profit for the year	594,361
At 30th June 2000	999,782

11 Reconciliation of the Movement in Shareholders' Funds

	2000	1999
	£	£
Profit for the financial year	594,361	289,965
Increase in shareholders' funds	594,361	289,965
Opening shareholders' funds	405,521	115,556
Closing shareholders' funds	999,882	405,521

12 Ultimate Parent Undertaking

Gleeson Homes Limited is a wholly-owned subsidiary of M J Gleeson Group plc (registered in England and Wales), its ultimate parent company.

A copy of the consolidated accounts of M J Gleeson Group plc may be obtained from the Company Secretary, Haredon House, London Road, North Cheam, Sutton, Surrey SM3 9BS.

13 Related Party Transactions

Control

Control of the company vests with the ultimate parent undertaking as stated above.

Related Party Transactions

Amounts owed by group undertakings are aggregated as permitted by FRS 8 and shown in debtors (note 7) .

In accordance with FRS 8 "Related Party Transactions",the company has taken advantage of the exemption available not to disclose transactions in the year between group undertakings where 90% or more of the voting rights are controlled within the group and the consolidated financial statements in which the results of Gleeson Homes Limited are included, are publicly available.