

E.F.G.H. Limited

Directors' report and financial statements

31 December 1998

Registered number 1326790



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

Principal activities

The company's principal activity is that of residential development.

Business review

The directors are satisfied with the performance of the company in the current economic climate.

Proposed dividend

The directors do not propose the payment of a dividend.

Policy and practice on payment of creditors

The company's policy and practice for the payment of most of its trade creditors is to follow the CBI's Prompt Payment Code (copies available from the CBI, Centre Point, 103 New Oxford Street, London, WC1A 1DU). For other suppliers, payment terms are agreed when goods and services are ordered, and payment is made according to those terms. The company's average creditor payment period at 31 December 1998 was 30 days (1997: 30 days).

Directors and directors' interests

The directors who held office during the year were as follows:

D G Bryant (Chairman)
G Grewer
B D Taylor
A F Hadman

None of the directors has an interest in the shares of the company.

Directors' report *(continued)*

Directors and directors' interests *(continued)*

The directors who held office at the end of the financial year had the following interests in the ordinary shares of 10p each of the ultimate parent company, Persimmon plc, as recorded in the register of directors' share and debenture interests:

	Interest at 31 December 1998	Number of shares			Interest at 1 January 1998
Ordinary shares					
A F Hadman	1				-
		Number of options during the year			
		Exercised	Granted	Lapsed	
Share options					
A F Hadman	177,681	-	10,000	-	167,681
SAYE share options					
A F Hadman	9,881	-	4,642	4,278	9,517

The interests of D G Bryant, B D Taylor and G Grever are disclosed in the directors' report of the ultimate parent company.

The share options held are exercisable from October 1994 to April 2006, at prices ranging from 126p to 269p.

Year 2000 statement

To minimise the risk that the company and group's operations will be affected by the year 2000 date change, a project team was established at the start of 1998 to review our computer systems and suppliers. Our work has followed National Computing Centre guidelines.

We have now completed a full audit of our systems and sought written statements of compliance from our computer suppliers. During 1998 we carried out tests to verify compliance and commissioned modifications to one of our group systems. This work was completed at minimal cost.

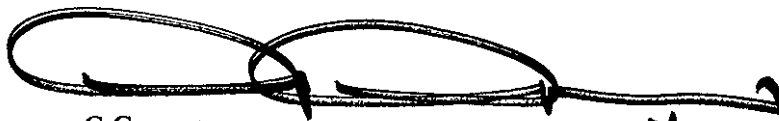
During 1998, we wrote to over 2,000 of our key suppliers. We sought assurances and confirmation that the year 2000 issue would not affect their ability to service our business needs. Where satisfactory assurances were not forthcoming directors and management are considering our relationship with them. Contingency plans will be in place to support the business before, on and after 31 December 1999.

Directors' report *(continued)*

Auditors

Pursuant to section 386 of the Companies Act 1985, an elective resolution to dispense with the obligation to appoint auditors annually was passed on 6 May 1997.

By order of the board

A handwritten signature in black ink, consisting of a large loop followed by a series of smaller loops and a final horizontal stroke.

G Grewer
Secretary

Persimmon House
Fulford
YORK
YO19 4FE

5 March 1999

Statement of directors' responsibilities

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 or loss for that period. In preparing those financial statements, the directors confirm that:

- suitable accounting policies have been selected and then applied consistently;
- judgements and estimates have been made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- the financial statements have been prepared on the going concern basis.

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 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.



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW

Report of the auditors to the members of E.F.G.H. Limited

We have audited the financial statements on pages 6 to 11.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of 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 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 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

5 March 1999

Profit and loss account
for the year ended 31 December 1998

	<i>Note</i>	1998 £000	1997 £000
Turnover			
Continuing operations		1,869	1,899
Cost of sales		(1,815)	(1,832)
		<hr/>	<hr/>
Gross profit		54	67
Net operating expenses		(16)	(42)
		<hr/>	<hr/>
Operating profit			
Continuing operations		38	25
Net interest receivable	<i>2</i>	4	4
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>3</i>	42	29
Tax on ordinary activities	<i>6</i>	(13)	(9)
		<hr/>	<hr/>
Profit for the financial year	<i>12</i>	29	20
		<hr/>	<hr/>

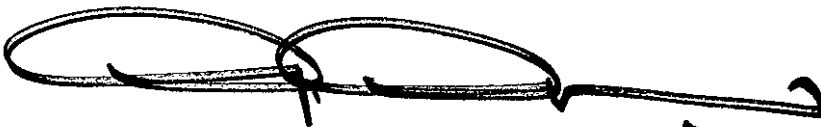
No separate statement of total recognised gains and losses has been presented as the company has no recognised gains or losses other than the profit for the year as shown above.

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historic cost equivalents.

Balance sheet
at 31 December 1998

	<i>Note</i>	1998 £000	1997 £000
Fixed assets			
Investments	7	-	-
Current assets			
Debtors - due within one year	8	1,295	1,330
Cash at bank and in hand		52	48
		1,347	1,378
Creditors due within one year	9	(669)	(729)
Net assets		678	649
Capital and reserves			
Called up share capital	10	250	250
Profit and loss account	11	428	399
Equity shareholders' funds	12	678	649

These financial statements were approved by the board of directors on 5 March 1999 and were signed on its behalf by:



G Grewer
Director

Notes

(forming part of the financial statements)

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The company is exempt, under Section 228 of the Companies Act 1985, from the requirement to prepare group accounts.

The company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Persimmon plc, and its cash flows are included within the consolidated cash flow statement of that company.

Turnover

Turnover represents invoiced property maintenance income and property rentals receivable.

Interest

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

Taxation

Provision is made for tax on taxable profit, payments from group undertakings for the surrender of taxation losses and for deferred tax which is likely to crystallise in the foreseeable future.

Pension costs

Pension costs are accounted for on the basis of charging the expected costs of providing pensions over the period during which the company benefits from the employees' services.

2 Net interest receivable

	1998	1997
	£000	£000
Other interest receivable	4	4
	<hr/>	<hr/>

Notes (continued)

3 Profit on ordinary activities before taxation

	1998 £000	1997 £000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditor's remuneration:		
Audit	1	2
Non audit	1	-
	<hr/>	<hr/>

4 Remuneration of directors

None of the directors received any remuneration from the company (1997: £Nil).

5 Staff numbers and costs

The company had no employees during the year (1997: Nil).

6 Tax on ordinary activities

	1998 £000	1997 £000
UK corporation tax at 31% (1997: 31.5 %)	13	9
	<hr/>	<hr/>

There is no potential liability to deferred taxation (1997: £Nil).

7 Fixed asset investments

	1998 £	1997 £
Shares in subsidiary undertakings	26	26
	<hr/>	<hr/>

The subsidiary undertakings, which are registered in England and Wales, are listed below. In each case the shares held are "B" ordinary shares and the company owns all the shares of that class which have been issued.

E.F.G.H. Management (Soham) Company Limited
E.F.G.H. Management (Studlands Five) Company Limited
E.F.G.H. Management (Studlands Six) Company Limited
E.F.G.H. Nominees Limited

None of the subsidiary undertakings traded during the year.

Notes (continued)

8 Debtors due within one year

	1998 £000	1997 £000
Trade debtors	33	57
Amounts owed by group undertakings	953	953
Prepayments and accrued income	309	320
	<hr/> 1,295	<hr/> 1,330

9 Creditors due within one year

	1998 £000	1997 £000
Amounts owed to group undertakings	78	133
Corporation tax	22	12
Accruals and deferred income	569	584
	<hr/> 669	<hr/> 729

10 Called up share capital

	1998 £000	1997 £000
<i>Authorised</i>		
10,000,000 Ordinary shares of 10p each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
2,500,000 Ordinary shares of 10p each	250	250
	<hr/>	<hr/>

11 Reserves

	Profit and loss account £000
At 1 January 1998	399
Retained profit for the year	29
	<hr/>
At 31 December 1998	428
	<hr/>

Notes (continued)

12 Reconciliation of movements in shareholders' funds

	1998 £000	1997 £000
Profit for the financial year	29	20
Opening shareholders' funds	649	629
	<hr/>	<hr/>
Closing shareholders' funds	678	649
	<hr/>	<hr/>

13 Contingent liabilities

In the normal course of business, the company has given counter-indemnities in respect of performance bonds and financial guarantees.

14 Commitments

At 31 December 1998, there were no capital commitments contracted for but not provided in the financial statements (1997: £Nil).

15 Related party disclosures

The company is controlled by Persimmon plc, its ultimate parent company.

16 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Ideal Homes Holdings Limited.

The ultimate parent company is Persimmon plc.

The consolidated financial statements of Persimmon plc are available to the public and may be obtained from:

The Company Secretary
 Persimmon plc
 Persimmon House
 Fulford
 YORK
 YO19 4FE