

## CONSOLIDATED INCOME STATEMENT

For year ended 31<sup>st</sup> October 2012

	Note	2012 £m	2011 £m
Revenue – continuing activities	2	408.0	319.1
Cost of sales		(296.2)	(227.8)
<b>Gross profit</b>		<b>111.8</b>	<b>91.3</b>
Administrative expenses:		(38.7)	(35.1)
Other operating income		0.2	0.2
<b>Operating profit – continuing activities</b>	3	<b>73.3</b>	<b>56.4</b>
Financial income	5	9.2	8.9
Bank finance costs:			
– Nominal bank interest charges		(10.4)	(19.0)
– Amortisation of bank debt fair value discount		-	(63.6)
	5	(10.4)	(82.6)
Other financial expenses	5	(8.2)	(8.3)
Net financing expense		(9.4)	(82.0)
Share of post tax results of joint ventures using the equity method	10	(1.8)	(1.4)
<b>Profit/(loss) before tax</b>		<b>62.1</b>	<b>(27.0)</b>
Income tax	6	1.8	67.5
<b>Profit for the year attributable to equity shareholders</b>		<b>63.9</b>	<b>40.5</b>

The notes on pages 63 to 85 form part of these financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For year ended 31<sup>st</sup> October 2012

	2012 £m	2011 £m
<b>Profit for the year</b>	<b>63.9</b>	<b>40.5</b>
<b>Other comprehensive income:</b>		
Actuarial loss on defined benefit pension schemes	(1.7)	(10.2)
Change in deferred tax on actuarial loss	(1.8)	8.7
Change in fair value of available for sale financial assets	(0.3)	2.1
<b>Other comprehensive (expense)/income for the year net of income tax</b>	<b>(3.8)</b>	<b>0.6</b>
<b>Total comprehensive income attributable to equity shareholders</b>	<b>60.1</b>	<b>41.1</b>

The notes on pages 63 to 85 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For year ended 31<sup>st</sup> October 2012

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
<b>Balance at 31<sup>st</sup> October 2010</b>	-	-	<b>(99.0)</b>	<b>(99.0)</b>
Profit for the year	-	-	40.5	40.5
Actuarial loss on pension scheme	-	-	(10.2)	(10.2)
Deferred tax on actuarial loss	-	-	8.7	8.7
Change in fair value of available for sale financial assets	-	-	2.1	2.1
Financial restructuring	10.0	240.3	94.6	344.9
<b>Balance at 31<sup>st</sup> October 2011</b>	<b>10.0</b>	<b>240.3</b>	<b>36.7</b>	<b>287.0</b>
Profit for the year	-	-	63.9	63.9
Actuarial loss on pension scheme	-	-	(1.7)	(1.7)
Deferred tax on actuarial loss	-	-	(1.8)	(1.8)
Change in fair value of available for sale financial assets	-	-	(0.3)	(0.3)
<b>Balance at 31<sup>st</sup> October 2012</b>	<b>10.0</b>	<b>240.3</b>	<b>96.8</b>	<b>347.1</b>

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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31<sup>st</sup> October 2012

	Note	2012 £m	2011 £m
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	8	29.0	29.0
Property, plant and equipment	9	2.2	2.9
Investments	10	2.9	2.3
Available for sale financial assets	11	31.1	26.8
Deferred tax assets	16	74.9	75.2
		<b>140.1</b>	<b>136.2</b>
<b>Current assets</b>			
Inventories	12	469.4	394.2
Trade and other receivables	13	41.5	46.7
Cash and cash equivalents		150.1	121.9
		<b>661.0</b>	<b>562.8</b>
<b>Total assets</b>		<b>801.1</b>	<b>699.0</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	14	(176.1)	(162.7)
Trade and other payables	15	(34.8)	(24.7)
Retirement benefit obligations	20	(29.9)	(34.5)
Provisions	17	(7.1)	(11.1)
		<b>(247.9)</b>	<b>(233.0)</b>
<b>Current liabilities</b>			
Interest bearing loans and borrowings	14	(4.3)	(2.0)
Trade and other payables	15	(194.9)	(170.3)
Provisions	17	(6.9)	(6.7)
		<b>(206.1)</b>	<b>(179.0)</b>
<b>Total liabilities</b>		<b>(454.0)</b>	<b>(412.0)</b>
<b>Net assets</b>		<b>347.1</b>	<b>287.0</b>

As at 31<sup>st</sup> October 2012

	Note	2012 £m	2011 £m
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	18	10.0	10.0
Share premium account	18	240.3	240.3
Retained earnings		96.8	36.7
		<b>347.1</b>	<b>287.0</b>

# CONSOLIDATED CASH FLOW STATEMENT

For year ended 31<sup>st</sup> October 2012

	2012 £m	2011 £m
<b>Cash flows from operating activities</b>		
<b>Profit for the year</b>	<b>63.9</b>	<b>40.5</b>
<b>Adjustments for:</b>		
Depreciation charge	1.2	1.2
Net finance charges	9.4	82.6
Share of loss of joint ventures	1.8	1.4
Taxation	(1.8)	(67.5)
<b>Operating profit before changes in working capital and provisions</b>	<b>74.5</b>	<b>58.2</b>
Decrease/(increase) in trade and other receivables	5.2	(7.1)
Increase in inventories	(75.2)	(32.3)
Increase/(decrease) in trade and other payables	24.3	(9.9)
<b>Cash generated from operations</b>	<b>28.8</b>	<b>8.9</b>
Interest paid	(11.8)	(9.8)
Tax received	0.6	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>17.6</b>	<b>(0.9)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(0.5)	(0.1)
Increase in available for sale financial assets	(4.4)	(3.8)
<b>Net cash outflow from investing activities</b>	<b>(5.1)</b>	<b>(3.9)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from the issue of share capital	-	0.3
Debt arrangement and facility fees	-	(3.4)
Repayment of other borrowings	(0.4)	-
Proceeds from new loan	16.3	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>15.7</b>	<b>(3.1)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28.2</b>	<b>(7.9)</b>
Cash and cash equivalents at the beginning of the year	121.9	129.8
<b>Cash and cash equivalents at end of the year</b>	<b>150.1</b>	<b>121.9</b>

The notes on pages 63 to 85 form part of these financial statements.

## 5. FINANCE INCOME AND COSTS

	2012 £m	2011 £m
Interest income	1.4	0.4
Imputed interest on available for sale financial assets	2.9	2.6
Expected return on defined benefit pension plan assets	4.9	5.9
<b>Finance income</b>	<b>9.2</b>	<b>8.9</b>

Finance costs	2012		
	Nominal bank interest charges £m	Amortisation of bank debt fair value discount £m	Total £m
Bank term loan – Facility B	7.3	-	7.3
Other interest	3.1	-	3.1
	10.4	-	10.4
Imputed interest on deferred land creditors	1.0	-	1.0
Interest on defined benefit pension plan obligations	7.2	-	7.2
	8.2	-	8.2
	<b>18.6</b>	<b>-</b>	<b>18.6</b>

Finance costs	2011		
	Nominal bank interest charges £m	Amortisation of bank debt fair value discount £m	Total £m
Bank term loan – Facility B	6.5	11.9	18.4
Bank term loan – Facility E	4.8	51.7	56.5
Other interest	7.7	-	7.7
	19.0	63.6	82.6
Imputed interest on deferred land creditors	1.0	-	1.0
Interest on defined benefit pension plan obligations	7.3	-	7.3
	8.3	-	8.3
	<b>27.3</b>	<b>63.6</b>	<b>90.9</b>

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Other interest	3.1	-	3.1
	10.4	-	10.4
Imputed interest on deferred land creditors	1.0	-	1.0
Interest on defined benefit pension plan obligations	7.2	-	7.2
	8.2	-	8.2
	<b>18.6</b>	<b>-</b>	<b>18.6</b>

Finance costs	2011		
	Nominal bank interest charges £m	Amortisation of bank debt fair value discount £m	Total £m
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Bank term loan – Facility E	4.8	51.7	56.5
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	19.0	63.6	82.6
Imputed interest on deferred land creditors	1.0	-	1.0
Interest on defined benefit pension plan obligations	7.3	-	7.3
	8.3	-	8.3
	<b>27.3</b>	<b>63.6</b>	<b>90.9</b>

### 13. TRADE AND OTHER RECEIVABLES

	2012 £m	2011 £m
<b>Current</b>		
Trade receivables	3.7	7.5
Recoverable on contracts	8.3	20.6
Due from joint ventures	16.9	12.7
Other receivables	11.5	4.8
Prepayments and accrued income	1.1	1.1
	<b>41.5</b>	<b>46.7</b>

### 14. INTEREST BEARING LOANS AND BORROWINGS

	2012 £m	2011 £m
<b>Non-current</b>		
Term loans	152.0	150.0
Other loans	24.1	12.7
	<b>176.1</b>	<b>162.7</b>
<b>Current</b>		
Loan notes	-	2.0
Other loans	4.3	-
	<b>4.3</b>	<b>2.0</b>

### 15. TRADE AND OTHER PAYABLES

	2012 £m	2011 £m
<b>Non-current</b>		
Land payables on contractual terms	33.7	23.3
Accruals	1.1	1.4
	<b>34.8</b>	<b>24.7</b>
<b>Current</b>		
Land payables on contractual terms	56.6	35.0
Other trade payables	22.2	21.7
Payments on account	0.5	5.3
Due to joint ventures	1.4	1.6
Taxes and social security costs	1.2	1.6
Other payables	27.4	30.4
Accruals	85.6	74.7
	<b>194.9</b>	<b>170.3</b>

## 18. SHARE CAPITAL

	Shares issued Number	Nominal Value pence	Share capital £	Share premium account £
A shares	70,000	0.0001	7	-
Deferred shares	18,000	0.005	90	-
B shares	1,300	0.0001	-	-
C shares	6,957	100	6,957	243,043
D shares	25,000	0.0001	1	29,999
Ordinary shares	10,000,000	100	10,000,000	240,000,000
<b>As at 31<sup>st</sup> October 2011</b>	<b>10,121,257</b>		<b>10,007,055</b>	<b>240,273,042</b>
B shares allotted in the year	4,450	0.0001	-	-
D shares allotted in the year	5,000	0.0001	-	-
A shares purchased and cancelled in the year	(5,000)	0.0001	-	-
D shares purchased and cancelled in the year	(1,875)	0.0001	-	-
<b>As at 31<sup>st</sup> October 2012</b>	<b>10,123,832</b>		<b>10,007,055</b>	<b>240,273,042</b>

### Shares Purchased and Cancelled in the Year

During the year the Company purchased and cancelled D and A shares for £17,357 in cash.

Date	Share type	Number of shares	Nominal value	Purchase price	% of total capital
July 2012	D	1,875	£0.19	£0.00	0.02%
July 2012	A	5,000	£0.50	£17,357	0.05%

During the year 4,450 B shares and 5,000 D shares were allotted at par to certain members of management pursuant to a share scheme.

The classes of share in issue at 31<sup>st</sup> October 2012 hold the following rights:

#### A Shares and D Shares

The shares do not confer voting rights and only confer limited dividend and capital distribution rights. They do not confer any rights of redemption.

#### Deferred and B Shares

The shares do not confer voting or dividend rights and only confer limited capital distribution rights. They do not confer any rights of redemption.

#### C Shares and Ordinary Shares

The shares confer voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.



## 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Group operations are financed through net borrowings, comprising bank and loan facilities which are secured by fixed charges over land and work in progress.

### FAIR VALUES

#### Financial Assets

The Group's financial assets comprise cash equivalents, available for sale financial assets and trade and other receivables. The carrying amount of financial assets equate to their fair value. At 31<sup>st</sup> October 2012 cash equivalents consisted of sterling cash deposits of £150.1m (2011: £121.9m), with solicitors and on current account, £31.1m (2011: £26.8m) of available for sale financial assets and £42.5m (2011: £46.7m) of trade and other receivables.

#### Financial liabilities

The Group's financial liabilities comprise term loans, other loans, trade payables, payments on account, loans from joint ventures and accruals. The carrying amount of the trade payables, payments on account, loans from joint ventures and accruals equate to their fair value. The fair values of the term loan, other loans and loan notes are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

The fair values of the facilities determined on this basis are:

2012	Nominal interest rate	Face value 2012 £m	Carrying value 2012 £m	Fair value 2012 £m	Year of maturity
Facility B Term loan	3 mth LIBOR + 6.5%	150.0	150.0	150.0	2015
Facility C Term loan	3 mth LIBOR + 3.5%	2.0	2.0	2.0	2015
Get Britain Building loans	EU Reference rate + 4%	12.0	12.0	12.0	2014-2015
Other loans	6.75%	12.1	12.1	12.1	2014
<b>Total non-current interest bearing loans</b>		<b>176.1</b>	<b>176.1</b>	<b>176.1</b>	

Get Britain Building loans	EU Reference rate + 4%	4.3	4.3	4.3	2013
<b>Total current interest bearing loans</b>		<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	

2011	Nominal interest rate	Face value 2011 £m	Carrying value 2011 £m	Fair value 2011 £m	Year of maturity
Facility B Term loan	3 mth LIBOR + 3.5% to 14.09.12 then + 6.5%	150.0	150.0	150.0	2015
Other loans	6.75%	12.7	12.7	12.7	2015
<b>Total non-current interest bearing loans</b>		<b>162.7</b>	<b>162.7</b>	<b>162.7</b>	

Loan notes	3 mth LIBOR - 0.50%	2.0	2.0	2.0	2012
<b>Total current interest bearing loans</b>		<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	

The carrying amount of the financial liabilities equates to their fair value. The 2012 and 2011 fair valuation are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. After the balance sheet date, the Group re-financed an element of its bank loans (note 26).

Assume the following:

1. Any new shares issued will require a dividend of 2.75%
2. Convertible loan stock will carry a coupon of 3.5%
3. Loan stock will require a rate of 4% with repayment after 15 years