

Chairman's statement

“...excellent results for the year...”

I am pleased to report a further profitable year. We had viewed the 2005 result as exceptional, in that it benefited from a large commercial sale late in the financial year that contributed significant profits and brought forward profits expected for the year to 31 March 2006. However, were it not for one-off employment costs of £0.3m in the year, our operating profits in 2006 would have exceeded those in 2005.

In the event operating profits were broadly stable at £2.6m (2005: £2.7m) whilst pre-tax profits increased to £2.6m from last year's £2.1m.

A feature of the housing market is the potential for short term volatility, but the Board believes the long term prospects for housebuilding are strongly founded and because of this we continue to build up land reserves at Rippon Homes.

The market for our commercial business parks continued to be active during the year under review. The level of sales was slightly lower than expected due to one potential sale, late in the year, not completing as expected. The prospects for this area of the business remain positive for 2006/07.

The Infiteland litigation, which has been running since 2002, has now been concluded in our favour and some recovery of costs has been achieved. I welcome this outcome and I trust this now marks the end of a period for the Company where significant amounts of management time have been spent dealing with this litigation.

Your Board is looking forward to 2006/07 with confidence, however we are cautious in anticipating its prospects as we know that the housing market has been volatile and could move against developers. Housing margins will continue to be under pressure, whilst there is little positive move in house prices achieved in our local markets in Nottinghamshire, Yorkshire and Lincolnshire.

We are determined to take the Group forward to a more robust market capitalisation and believe the platform to achieve this growth is now firmly founded. Our future progress will be led by organic growth in both divisions supported where feasible by other opportunities. We will invest in further outlets to provide more sales opportunities and therefore the investment in additional land is of paramount importance to the Group. The investment in the current year will provide the sales opportunities in future years.

With this in mind, your Board does not recommend a dividend for the current year, so that funds for investment can be retained in the business.

These excellent results for the year, building on last year's success, have been achieved with the support of all the employees in the business, and I should like to acknowledge their efforts on behalf of the Board.

Michael W Stevens
Chairman

11 July 2006