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Collier & Catley Holdings Limited

(formerly Denton Holdings Limited)

Report and Financial Statements

Period Ended

31 March 2005

BDO Stoy Hayward
Chartered Accountants

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Directors

CJ Briley
RW Morris

Secretary and registered office

SJB Parker, Lombard House, Worcester Road, Stourport-on-Severn, Worcestershire, DY13 9AP

Company number

79315

Auditors

BDO Stoy Hayward LLP, Mander House, Wolverhampton, West Midlands, WV1 3NF

Report of the directors for the period ended 31 March 2005

The directors present their report together with the audited financial statements for the period ended 31 March 2005.

Ultimate parent company

On 13 April 2004, the entire share capital of the company was acquired by Thomas Vale Holdings Limited, which is now the ultimate parent company.

Change of name

On 16 April 2004, the company's name was changed from Denton Holdings Limited to Collier & Catley Holdings Limited.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the period.

Principal activities, review of business and future developments

The company's principal activity was property holding. Following the acquisition of the company, the property, together with the company's interest in a subsidiary undertaking, Collier and Catley Limited, was transferred to another group company and subsequently, the company has not traded. The directors have no plans to reactivate the company in the foreseeable future.

Directors

The directors of the company during the period were:

GJ Denton	(resigned 13 April 2004)
CJ Briley	(appointed 13 April 2004)
RW Morris	(appointed 13 April 2004)

No director had any beneficial interest in the share capital of the company. Messrs CJ Briley and RW Morris are both directors of Thomas Vale Holdings Limited, the company's ultimate parent undertaking, and their interests in the shares of group undertakings are recorded in that company's register of directors' interests.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that 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.

Auditors

BDO Stoy Hayward LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

C.J.

CJ Briley
Director

26 October 2005

To the shareholders of Collier & Catley Holdings Limited

We have audited the financial statements of Collier & Catley Holdings Limited for the period ended 31 March 2005 on pages 5 to 16 which have been prepared under the accounting policies set out on pages 8 to 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom 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.

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP.

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Wolverhampton

26 October 2005

Collier & Catley Holdings Limited

Profit and loss account for the 15 months ended 31 March 2005

	Note	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
Turnover	2	**6,953**	27,455
Administrative expenses		**1,043,193**	48,186
		(1,036,240)	(20,731)
Other operating income		**-**	48,340
Operating (loss)/profit	3	**(1,036,240)**	27,609
Interest receivable and similar income		**2,183**	6,796
Interest payable and similar charges	5	**(6,250)**	(28,192)
(Loss)/profit on ordinary activities before taxation		**(1,040,307)**	6,213
Taxation on (loss)/profit on ordinary activities	6	**(553)**	4,093
(Loss)/profit on ordinary activities after taxation		**(1,040,860)**	10,306

All amounts relate to activities discontinued in the period.

The notes on pages 8 to 16 form part of these financial statements.

Statement of total recognised gains and losses and note of historical cost profits and losses for the period ended 31 March 2005

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
Statement of total recognised gains and losses		
(Loss)/profit for the financial period/year	**(1,040,860)**	10,306
Unrealised surplus on revaluation of property	**-**	190,000
Total recognised gains and losses for the financial period/year	**(1,040,860)**	200,306

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
Note of historical cost profits and losses		
Reported (loss)/profit on ordinary activities before taxation	**(1,040,307)**	6,213
Realisation of property revaluation gains of previous years	**403,271**	-
Historical cost (loss)/profit on ordinary activities before taxation	**(637,036)**	6,213
Retained historical cost (loss)/profit for the period after taxation and dividends	**(637,589)**	10,306

The notes on pages 8 to 16 form part of these financial statements.

Collier & Catley Holdings Limited

Balance sheet at 31 March 2005

	Note	31 March 2005 £	31 March 2005 £	31 December 2003 £	31 December 2003 £
Fixed assets					
Tangible assets	7		-		1,172,428
Fixed asset investments	8		-		-
			-		1,172,428
Current assets					
Debtors	9	**600,000**		370,402	
Cash at bank and in hand		-		219,226	
		600,000		589,628	
Creditors: amounts falling due within one year	10	**429,881**		29,794	
Net current assets			**170,119**		559,834
Total assets less current liabilities			**170,119**		1,732,262
Creditors: amounts falling due after more than one year	11		-		521,283
			170,119		1,210,979
Capital and reserves					
Called up share capital	12		**54,880**		54,880
Revaluation reserve	13		-		403,271
Profit and loss account	13		**115,239**		752,828
Equity shareholders' funds	14		**170,119**		1,210,979

The financial statements were approved by the Board on 26 October 2005.

CJ Briley
Director

The notes on pages 8 to 16 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Consolidated financial statements

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Land and buildings

FRS 15 requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this land and buildings are subject to a full valuation every five years with an interim valuation carried out in the third year of this cycle.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land and buildings, evenly over their expected useful lives. It is calculated at the following rates:

Plant, machinery and vehicles	-	33% per annum

No depreciation has been charged on the freehold buildings as the estimated residual value is equal to the carrying value.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

1 Accounting policies *(continued)*

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Thomas Vale Holdings Limited and the company is included in consolidated financial statements.

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Thomas Vale Holdings Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating (loss)/profit

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	-	41,386
Auditors' remuneration	-	1,600
Write off of amount due from subsidiary undertakings	1,041,499	-

4 Directors' remuneration

No director received any emoluments during the current period (2003 - £NIL).

5 Interest payable and similar charges

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
Finance leases and hire purchase contracts	-	3,124
Interest payable on shareholder loan	6,250	25,000
Interest payable on overdue tax	-	68
	6,250	28,192

6 Taxation on (loss)/profit on ordinary activities

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
UK Corporation tax		
Current tax on profits of the period	553	-
Deferred tax		
Origination and reversal of timing differences	-	(4,093)
Taxation on (loss)/profit on ordinary activities	553	(4,093)

6 Taxation on (loss)/profit on ordinary activities *(continued)*

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

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
(Loss)/profit on ordinary activities before tax	(1,040,307)	6,213
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003 - 30%)	(312,092)	1,864
Effect of:		
Expenses not deductible for tax purposes	312,645	-
Capital allowances for period in excess of depreciation	-	4,180
Utilisation of tax losses	-	(6,044)
Current tax charge for period	553	-

7 Tangible fixed assets

	Freehold land and buildings £	Plant, machinery and vehicles £	Total £
Cost or valuation			
At 1 January 2004	1,100,000	127,663	1,227,663
Group transfers	(1,100,000)	(127,663)	(1,227,663)
At 31 March 2005	-	-	-
Depreciation			
At 1 January 2004	-	55,235	55,235
Group transfers	-	(55,235)	(55,235)
At 31 March 2005	-	-	-
Net book value			
At 31 March 2005	-	-	-
At 31 December 2003	1,100,000	72,428	1,172,428

The company's freehold land and buildings were subject to a full revaluation in November 2003 by Holt Waters commercial property consultants at open market value.

The historical cost of freehold land and buildings is:

	31 March 2005 £	31 December 2003 £
Cost	-	696,729

The net book value of, and depreciation charge for the period on, tangible fixed assets includes assets held under finance leases and hire purchase contracts as follows:

	31 March 2005 £	31 December 2003 £
Net book value		
Plant, machinery and vehicles	-	49,927
Depreciation charged		
Plant, machinery and vehicles	-	26,624

8 Fixed asset investments

	Group undertakings £
Cost	
At 1 January 2004 and 31 March 2005	**202,840**
Provisions	
At 1 January 2004 and 31 March 2005	**202,840**
Net book value	
At 31 December 2003 and 31 March 2005	-

Subsidiary undertaking

The principal undertakings in which the company's interest at the period end is 20% or more are as follows:

	Proportion of voting rights and ordinary share capital held	Nature of business
Subsidiary undertakings		
Trees (2001) Limited	100	Dormant

9 Debtors

	31 March 2005 £	31 December 2003 £
Amounts receivable within one year		
Trade debtors	-	3,915
Amounts owed by group undertakings	**600,000**	355,333
Prepayments and accrued income	-	3,000
	600,000	362,248
Amounts receivable after more than one year		
Deferred taxation	-	8,154
Total debtors	**600,000**	370,402

9 Debtors *(continued)*

	Deferred taxation £
At 1 January 2004	8,154
Group transfer	(8,154)
At 31 March 2005	-

Deferred taxation

	31 March 2005 £	31 December 2003 £
Accelerated capital allowances	-	(1,644)
Unutilised tax losses	-	9,798
	-	8,154

10 Creditors: amounts falling due within one year

	31 March 2005 £	31 December 2003 £
Amounts owed to group undertakings	**429,881**	394
Taxation and social security	-	1,250
Obligations under finance lease and hire purchase contracts	-	20,400
Accruals and deferred income	-	7,750
	429,881	29,794

11 Creditors: amounts falling due after more than one year

	31 March 2005 £	31 December 2003 £
Shareholder loan	-	500,000
Obligations under finance lease and hire purchase contracts	-	21,283
	-	521,283

Maturity of debt:

	Shareholder loan 31 March 2005 £	Shareholder loan 31 December 2003 £	Finance leases 31 March 2005 £	Finance leases 31 December 2003 £
In one year or less, or on demand	-	-	-	20,400
In more than one year but not more than two years	-	500,000	-	21,283

12 Share capital

	Authorised 31 March 2005 £	Authorised 31 December 2003 £	Allotted, called up and fully paid 31 March 2005 £	Allotted, called up and fully paid 31 December 2003 £
Equity share capital				
Ordinary shares of £1 each	**65,000**	65,000	**54,880**	54,880

13 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 January 2004	403,271	752,828
Loss for the period	-	(1,040,860)
Transfers	(403,271)	403,271
At 31 March 2005	-	**115,239**

14 *Reconciliation of movements in shareholder's funds*

	15 months ended 31 March 2005 £	Year ended 31 December 2003 £
(Loss)/profit for the period	**(1,040,860)**	10,306
Other net recognised gains and losses relating to the period	**-**	190,000
Net (deductions from)/additions to shareholder's funds	**(1,040,860)**	200,306
Opening shareholder's funds	**1,210,979**	1,010,673
Closing shareholder's funds	**170,119**	1,210,979

15 Ultimate parent company and parent undertaking of larger group

The largest and smallest group in which the results of the company are consolidated is that headed by Thomas Vale Holdings Limited, registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from the Company Secretary at Lombard House, Worcester Road, Stourport on Severn, Worcestershire, DY13 9BZ.