

NELSON HOMES LIMITED
A C C O U N T S
FOR THE YEAR ENDED 30TH APRIL 2007

Registered in England No. 906879



NELSON HOMES LIMITED**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 2007****INDEX**

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NELSON HOMES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 30th April 2007

BUSINESS REVIEW

When the Company traded, it's principal activity was property development. However, the Company's only trade now is the receipt of ground rents for properties over which it holds freehold interests. The Directors do not believe that the Company faces any material risks or uncertainties that would require disclosure in the accounts. Given the straightforward nature of the business, the Directors are of the opinion that analysis of the Key Performance Indicators is not necessary to give an understanding of the development, performance or position of the Company.

The Company's results are shown in the profit and loss account on page 6. The loss for the financial year was £1,000 (2006 profit - £1,000).

PROPOSED DIVIDEND

The directors do not propose the payment of a dividend on the ordinary share capital (2006 – £nil).

The loss for the year of £1,000 is deducted from reserves.

DIRECTORS AND THEIR INTERESTS

The directors who have served during the year were -

J C Smith
C MacDonald-Hall (non-executive)
R A Green

The director retiring by rotation is Mr J C Smith who, being eligible, offers himself for re-election.

All of the directors are directors of the ultimate parent undertaking AIM Group PLC. Their beneficial interests in the share capital of the ultimate parent undertaking are shown in that Company's Directors' Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

NELSON HOMES LIMITED**REPORT OF THE DIRECTORS (Continued)****STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)**

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 UK 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the Company at 14th September 2007

- (i) So far as each of the directors is aware, there is no relevant audit information (as defined by the Companies Act 1985) of which the Company's auditors are unaware, and
- (ii) Each of the directors has taken all of the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information

AUDITORS

Resolutions concerning the re-appointment of PricewaterhouseCoopers LLP as auditors and authorising the directors to set their remuneration will be proposed at the Annual General Meeting.

By order of the Board



S M Winship
Secretary

14th September 2007

NELSON HOMES LIMITED**REPORT OF THE INDEPENDENT AUDITORS****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NELSON HOMES LIMITED**

We have audited the financial statements of Nelson Homes Limited for the year ended 30th April 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

NELSON HOMES LIMITED

REPORT OF THE INDEPENDENT AUDITORS

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30th April 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Southampton

14th September 2007

NELSON HOMES LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 30th April 2007

	Notes	2007 £'000	2006 £'000
Cost of sales		-	-
Gross loss		<u>-</u>	<u>-</u>
Administrative expenses		(2)	(2)
Other operating income	2	<u>1</u>	<u>3</u>
(LOSS)/ PROFIT FOR THE YEAR BEFORE TAXATION	2	(1)	1
Taxation	3	<u>-</u>	<u>-</u>
(LOSS)/ PROFIT FOR THE YEAR AFTER TAXATION	7	(1)	1
Retained loss brought forward		<u>(4,844)</u>	<u>(4,845)</u>
Retained loss carried forward		<u><u>(4,845)</u></u>	<u><u>(4,844)</u></u>

The Company has no recognised gains and losses other than above and therefore no separate statement of total recognised gains and losses has been presented.

All of the Company's activities are in respect of continuing operations

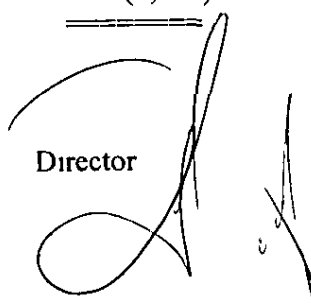
There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

NELSON HOMES LIMITED**BALANCE SHEET AT 30TH APRIL 2007**

	Notes	2007 £'000	2006 £'000
CURRENT ASSETS			
Debtors	4	-	3
Cash in hand		28	26
		<hr/>	<hr/>
		28	29
CREDITORS			
Amounts falling due within one year	5	(1,613)	(1,613)
		<hr/>	<hr/>
NET CURRENT LIABILITIES AND NET LIABILITIES		(1,585)	(1,584)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	6	3,260	3,260
Profit and loss account		(4,845)	(4,844)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' DEFICIT	7	(1,585)	(1,584)
		<hr/>	<hr/>

J C Smith

Director



These accounts were approved by the board of directors on 14th September 2007

NELSON HOMES LIMITED

ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. These policies have been applied consistently throughout the year and the preceding year.

(b) Other operating income

Other operating income is primarily rents receivable, which are recognised on a receivable basis.

(c) Deferred Taxation

Deferred tax is recognised on all timing differences, on a non-discounted basis, where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NELSON HOMES LIMITED**NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 2007****1 EMPLOYEES**

The average number of people employed by the Company (including directors) during the year was as follows -

	2007	2006
Management and administration	<u>3</u>	<u>3</u>

The management and administration of this Company is carried out by the directors, who have received no remuneration in the current year or the prior year.

2 (LOSS)/PROFIT FOR THE YEAR BEFORE TAXATION

The (loss)/profit for the year is stated after charging/(crediting) -

	2007 £'000	2006 £'000
Rent receivable	<u>(1)</u>	<u>(3)</u>

Auditors' remuneration has been borne by the parent undertaking but an allocation is made from the charge made on the parent company of £550 (2006 - £500)

3 TAXATION

	2007 £'000	2006 £'000
Current year		
Corporation tax at 30% (2006 - 30%)	<u>-</u>	<u>-</u>

The UK corporation tax assessed for the period is in line with the standard rate of corporation tax in the UK once allowance is made for the factors listed below

	2007 £'000	2006 £'000
(Loss)/profit on ordinary activities before taxation	(1)	1
Applying standard rate of UK corporation tax at 30% (2006 - 30%)	-	-
Group relief claimed free of charge	-	-
Total current tax charge	<u>-</u>	<u>-</u>

NELSON HOMES LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 2007
(Continued)

4	DEBTORS	2007 £'000	2006 £'000
	<i>Amounts falling due within one year</i>		
	Trade debtors	-	3
		<hr/>	<hr/>
		-	3
		<hr/>	<hr/>
5	CREDITORS	2007 £'000	2006 £'000
	<i>Amounts falling due within one year</i>		
	Amounts owed to group companies:		
	ultimate parent undertaking	1,410	1,410
	fellow subsidiary undertaking	203	203
		<hr/>	<hr/>
		1,613	1,613
		<hr/>	<hr/>
6	SHARE CAPITAL	2007 £'000	2006 £'000
	Authorised		
	3,260,000 ordinary shares of £1 each	3,260	3,260
		<hr/>	<hr/>
	Allotted, called-up and fully paid		
	3,260,000 ordinary shares of £1 each	3,260	3,260
		<hr/>	<hr/>
7	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT	2007 £'000	2006 £'000
	(Loss)/profit for the year	(1)	1
	Opening shareholders' deficit	(1,584)	(1,585)
		<hr/>	<hr/>
	Closing shareholders' deficit	(1,585)	(1,584)
		<hr/>	<hr/>

NELSON HOMES LIMITED**NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 2007
(Continued)****8 CONTINGENT LIABILITIES**

The Company has entered into a joint guarantee and debenture to secure bank borrowings of the ultimate parent undertaking and fellow subsidiary undertakings. At 30th April 2007 the aggregate amount outstanding was £ 5,701,103 (2006 - £1,779,998)

9 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party is AIM Group PLC which is the parent undertaking of the smallest and largest group to consolidate these accounts. Copies of AIM Group PLC's consolidated accounts can be obtained from the Company Secretary at 16 Carlton Crescent, Southampton, SO15 2ES

10 GOING CONCERN

The accounts have been prepared on the basis that the Company is a going concern, although at the balance sheet date total liabilities exceeded total assets by £1,585,000

The Company is dependent upon the continued support of its ultimate parent undertaking for its continued existence. The ultimate parent undertaking has indicated that it will not withdraw its support in the foreseeable future.

The directors have considered the position of the ultimate parent undertaking and have taken into account the plans for the operation of the Company, and consider that the going concern basis is appropriate.

11 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing group transactions on the grounds that its results are included in the consolidated accounts of AIM Group PLC which are publicly available.

12 INTEREST PAYABLE

Interest charges have been borne by the parent undertaking in both the current year and the previous year.