

NELSON HOMES LIMITED
ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 2005



Registered in England No. 906879

NELSON HOMES LIMITED**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 2005****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 2005.

BUSINESS REVIEW

The principal activity of the company is and will continue to be property development.

The company's results are shown in the profit and loss account on page 5. The loss for the financial year was £7,212 (2004 profit - £56,642).

PROPOSED DIVIDEND

The directors do not propose the payment of a dividend on the ordinary share capital (2004 – nil).

The loss for the year of £7,212 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 R A Green 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

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the result of the company for the year. In preparing those accounts, the directors are required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- iv) prepare the accounts 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 accounts 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.

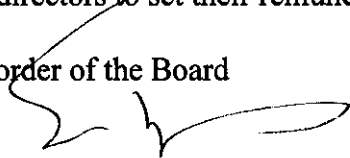
NELSON HOMES LIMITED

REPORT OF THE DIRECTORS (Continued)

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

1st November 2005

NELSON HOMES LIMITED**REPORT OF THE INDEPENDENT AUDITORS****Independent auditors' report to the members of Nelson Homes Limited**

We have audited the financial statements which comprise the profit and loss account and the balance sheet, and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. 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 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 is not disclosed. We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

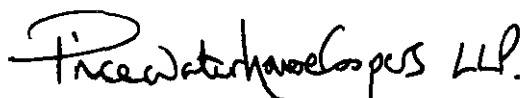
Basis of audit opinion

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 at 30th April 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

Southampton
1st November 2005

NELSON HOMES LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 30th April 2005

	Notes	2005 £	2004 £
Turnover	1	-	180,299
Cost of sales		(8,000)	(124,904)
Gross (loss)/profit		<u>(8,000)</u>	<u>55,395</u>
Administrative expenses		(454)	-
Other operating income		1,242	1,247
		<u> </u>	<u> </u>
(LOSS)/PROFIT FOR THE YEAR BEFORE TAXATION	3	(7,212)	56,642
Taxation	4	-	-
		<u> </u>	<u> </u>
(LOSS)/PROFIT FOR THE YEAR AFTER TAXATION	8	(7,212)	56,642
Retained loss brought forward		(4,837,276)	(4,893,918)
		<u> </u>	<u> </u>
Retained loss carried forward		<u><u>(4,844,488)</u></u>	<u><u>(4,837,276)</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 2005**

	Notes	2005 £	2004 £
CURRENT ASSETS			
Debtors	5	-	8,000
Cash in hand		28,265	27,530
		<hr/>	<hr/>
		28,265	35,530
CREDITORS			
Amounts falling due within one year	6	(1,612,753)	(1,612,806)
		<hr/>	<hr/>
NET CURRENT LIABILITIES AND NET LIABILITIES		(1,584,488)	(1,577,276)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	7	3,260,000	3,260,000
Profit and loss account		(4,844,488)	(4,837,276)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' DEFICIT	8	(1,584,488)	(1,577,276)
		<hr/>	<hr/>

✓  ✓ J C Smith Director

These accounts were approved by the board of directors on 1st November 2005.

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.

(d) Turnover

Turnover represents the proceeds from the sale of properties and is stated net of all sales taxes.

NELSON HOMES LIMITED**NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 2005****1. TURNOVER**

The turnover in the previous year arose from the sale of properties.

2. EMPLOYEES

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

	2005	2004
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.

3. (LOSS)/PROFIT FOR THE YEAR BEFORE TAXATION

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

	2005 £	2004 £
Rent receivable	<u>(1,225)</u>	<u>(1,225)</u>

Auditors' remuneration was borne by the parent undertaking in both the current and the preceding year.

4. TAXATION

	2005 £	2004 £
Current year		
Corporation tax at 30% (2004 - 20%)	<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:

	2005 £	2004 £
(Loss)/profit on ordinary activities before taxation	(7,212)	56,642
Applying standard rate of UK corporation tax at 30% (2004 - 20%)	(2,164)	11,272
Group relief claimed free of charge	2,164	(11,272)
Total current tax charge	<u>-</u>	<u>-</u>

NELSON HOMES LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 2005
(Continued)

5.	DEBTORS	2005 £	2004 £
	Amounts falling due within one year:		
	Trade debtors	-	8,000
		<hr/>	<hr/>
		-	8,000
		<hr/>	<hr/>
6.	CREDITORS	2005 £	2004 £
	Amounts falling due within one year:		
	Trade creditors	40	93
	Amounts owed to group companies:		
	ultimate parent undertaking	1,410,012	1,410,012
	fellow subsidiary undertaking	202,701	202,701
		<hr/>	<hr/>
		1,612,753	1,612,806
		<hr/>	<hr/>
7.	SHARE CAPITAL	2005 £	2004 £
	Authorised:		
	3,260,000 ordinary shares of £1 each	3,260,000	3,260,000
		<hr/>	<hr/>
	Allotted, called-up and fully paid:		
	3,260,000 ordinary shares of £1 each	3,260,000	3,260,000
		<hr/>	<hr/>

NELSON HOMES LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 2005
(Continued)

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2005 £	2004 £
(Loss)/profit for the year	(7,212)	56,642
Opening shareholders' deficit	(1,577,276)	(1,633,918)
	<hr/>	<hr/>
Closing shareholders' deficit	<u>(1,584,488)</u>	<u>(1,577,276)</u>

9. 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 2005 the aggregate amount outstanding was £ 4,993,072 (2004 - £3,352,163).

10. 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.

11. 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 £1,584,435.

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.

12. 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.

13. INTEREST PAYABLE

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