

C/N

Howard Holdings plc

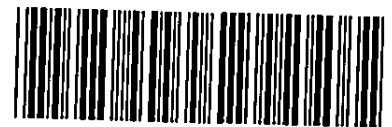
Company Number 947012

Howard Holdings plc
Report and Financial Statements

30th April 2007

(Amended)

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COMPANIES HOUSE

BREBNERS
Chartered Accountants
Tubs Hill House
London Road
Sevenoaks, Kent

Howard Holdings plc
Report and Financial Statements 2007

INDEX

	Page
Directors' Report	1 - 3
Report of the Auditors	4 - 5
Consolidated Profit and Loss Account	6
Statement of Recognised Gains and Losses	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Cash Flow Statement	10
Notes to the Consolidated Cash Flow Statement	11
Notes to the Accounts	12 - 25

Howard Holdings plc

Directors and Advisers

DIRECTORS

T G Coughlan
B J Madden
B P Murtagh (non-executive)
S J Webster (non-executive)

SECRETARY

B J Madden

REGISTERED OFFICE

Howard House
32/34 High Street
Croydon
Surrey CRO 1YB

REGISTERED NUMBER

947012

BANKERS

Lloyds TSB Bank
Anglo Irish Bank Corporation
Royal Bank of Scotland

AUDITORS

Brebners
Chartered Accountants
Tubs Hill House
London Road
Sevenoaks
Kent TN13 1BL

Howard Holdings plc

Directors' Report

The directors present their annual report and the audited consolidated financial statements for the year ended 30th April 2007

Principal activities and business review

The principal activities of the group, in the year under review, continued to be those of property development and property investment. The principal activity of the company is that of a holding company.

The directors are confident that the considerable activity during the year under review, as measured by the expenditure in work in progress and the individual site planning and development, will generate margins and profits in the forthcoming years. New developments have commenced and, although in their early stages and with considerable work ahead, are seen as enabling the group to move forward with sustained growth.

The Group monitors various key financial performance indicators of which positive cash flow is paramount. Expenditure during the year was in excess of £20 million and the cash flow shows a small but positive increase in the net cash balance. Development sale and cost appraisals, in respect of each site, are continually updated and reviewed to monitor changing market conditions.

In respect of non-financial key performance indicators the directors consistently adopt responsible business practice. In the development of new properties the Group requires its design consultants to aim for good environmental performance with due consideration of energy efficiency, avoidance of materials hazardous to health and avoidance of substances acknowledged to be implicated in climate change. The Group's policy is to require the larger suppliers and contractors to have a formal or certified environmental management system.

The Group's policy is to attract and motivate employees by offering competitive terms and a working environment appropriate to the job specifications. The Group does not follow any specified code or standard policy on the payment of creditors. However it is the Group's policy to negotiate terms with its suppliers and to ensure that the payment schedules are adhered to.

Financial risk management objectives and policies

The Group has in place risk management procedures to monitor a number of risks. These include fluctuations in property values which can be dependent upon the market in commercial and residential property generally. The value of the Group's property portfolio may change as a result of factors outside its control such as changes in regulatory requirements, applicable planning laws and political conditions.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. The Group hedges the interest rate exposure by means of interest swap arrangements.

Results

The group profit and loss account for the year ended 30th April 2007 is set out on page 6.

The directors do not recommend the payment of a dividend to the holding company.

Howard Holdings plc

Directors' Report

(Continued)

Directors

The directors who served during the year were as follows

T G Coughlan	
B J Madden	
B P Murtagh	
S J Webster	
F E Gormley	(resigned 12 th December 2006)
F J Boland	(resigned 1 st June 2006)

During the financial year the non-executive directors were B P Murtagh and S J Webster

The directors do not hold any direct interest in the share capital of the company. T G Coughlan, B J Madden and B P Murtagh hold an indirect interest by virtue of their shareholding in the holding company. The shareholdings are disclosed in the annual report and financial statements of the holding company.

Holding company

The company is a wholly owned subsidiary of Rushbrook Property plc, a company registered in Northern Ireland.

Statement of Disclosure of Information to Auditors

The directors of the company who held office at the date of approval of this Annual Report as set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Following the merger of Finley & Partners with Brebners, a resolution for the reappointment of Brebners will be proposed at the Annual General Meeting.

Howard Holdings plc

Directors' Report

(Continued)

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. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates which 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 group will continue in business

The directors are responsible for keeping proper accounting records that 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

By order of the Board



B J Madden
Secretary

23 July 2008

Independent Auditors' Report to the Shareholders of

Howard Holdings plc

We have audited the group and parent company's financial statements of Howard Holdings plc for the year ended 30th April 2007 which comprise the Consolidated Profit and Loss Account, Statement of Total Recognised Gains and Losses, Note of Historical Cost Profits and Losses, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 (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).

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.

Independent Auditors' Report to the Shareholders of

Howard Holdings plc

(Continued)

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and 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



BREBNERS
Registered Auditor
Chartered Accountants
Sevenoaks, Kent


28 July 2008

Howard Holdings plc
Consolidated Profit and Loss Account
For the year ended 30th April 2007

		2007		2006	
	Notes	£	£	£	£
Turnover			6,453,825		22,019,396
Cost of sales			6,346,808		21,934,958
			<hr/>		<hr/>
Gross profit			107,017		84,438
Administrative expenses		(3,250,594)		(2,389,366)	
Other operating expenses		(371,252)		(333,859)	
Rent receivable		588,423		410,956	
Management charges		3,350,326		3,786,828	
		<hr/>	316,903	<hr/>	1,474,559
			<hr/>		<hr/>
Operating profit			423,920		1,558,997
Investment income	2		280,282		295,973
			<hr/>		<hr/>
			704,202		1,854,970
Interest payable and similar charges	3		(2,126,910)		(2,832,104)
			<hr/>		<hr/>
Loss on ordinary activities before taxation	4		(1,422,708)		(977,134)
Taxation	7		(81,014)		137,130
			<hr/>		<hr/>
Loss for the financial year	8		£(1,503,722)		£(840,004)
			<hr/>		<hr/>

Howard Holdings plc

Statement of Total Recognised Gains and Losses for the year ended 30th April 2007

	2007 £	2006 £
Loss for the financial year after taxation	(1,503,722)	(840,004)
Unrealised surplus on revaluation of investment property	2,413,144	2,169,633
	<u> </u>	<u> </u>
Total recognised gains for the year	£ 909,422	£ 1,329,629
	<u> </u>	<u> </u>

Note of Historical Cost Profits and Losses for the year ended 30th April 2007

	2007 £	2006 £
Reported loss for the financial year before taxation	(1,422,708)	(977,134)
Realisation of property revaluation gain of previous years	932,642	124,985
	<u> </u>	<u> </u>
Historical cost loss on ordinary activities before taxation	£(490,066)	£(852,149)
	<u> </u>	<u> </u>
Historical cost loss for the year retained after taxation	£(571,080)	£(715,019)
	<u> </u>	<u> </u>

Howard Holdings plc
Consolidated Balance Sheet
At 30th April 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	9		20,415,694		15,553,846
Investment in associated company	11		500		500
			<hr/>		<hr/>
			20,416,194		15,554,346
Current assets					
Stock and work in progress	12	47,208,431		39,491,228	
Debtors	13	9,622,947		8,033,244	
Bank and cash balances		663,117		631,591	
		<hr/>		<hr/>	
		57,494,495		48,156,063	
Creditors: amounts falling due within one year	14	49,910,244		40,925,750	
Net current assets		<hr/>	7,584,251	<hr/>	7,230,313
Total assets less current liabilities			<hr/>		<hr/>
			28,000,445		22,784,659
Creditors: amounts falling due after more than one year	15	16,293,288		11,857,918	
Provision for liabilities and charges	16	-		201,420	
		<hr/>	16,293,288	<hr/>	12,059,338
			<hr/>		<hr/>
			£ 11,707,157		£ 10,725,321
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	17		2,700,611		2,700,611
Share premium account			205,385		205,385
Revaluation reserve	18		4,582,777		3,102,275
Profit and loss account	19		4,145,970		4,717,050
			<hr/>		<hr/>
Shareholders' funds	20		11,634,743		£ 10,725,321
Minority interests			72,414		-
			<hr/>		<hr/>
			£ 11,707,157		£ 10,725,321
			<hr/>		<hr/>

T G Coughlan

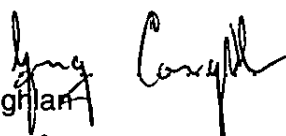
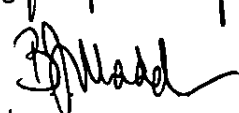
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)
) Directors
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B J Madden

Approved by the Board ²³ July 2008

Howard Holdings plc
Company Balance Sheet
At 30th April 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	9		361,000		63,845
Investments in subsidiary undertakings	10		4,705,523		4,634,105
Investments in associated undertakings	11		500		500
			<hr/>		<hr/>
			5,067,023		4,698,450
Current assets					
Debtors	13	21,642,051		15,704,900	
Creditors: amounts falling due within one year	14	10,657,149		5,855,559	
			<hr/>	<hr/>	
Net current assets			10,984,902		9,849,341
			<hr/>		<hr/>
Total assets less current liabilities			16,051,925		14,547,791
Creditors: amounts falling due after more than one year	15		2,388,937		2,284,870
			<hr/>		<hr/>
			£ 13,662,988		£ 12,262,921
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	17		2,700,611		2,700,611
Share premium account			205,385		205,385
Profit and loss account	19		10,756,992		9,356,925
			<hr/>		<hr/>
Shareholders' funds	20		£ 13,662,988		£ 12,262,921
			<hr/>		<hr/>

T G Coughlan )
)
) Directors
)
 B J Madden )

Approved by the Board ²³ July 2008

Howard Holdings plc
Consolidated Cash Flow Statement
For the year ended 30th April 2007

	2007		2006
	£	£	£
Net cash (outflow)/inflow from operating activities	(1,861,054)		15,508,509
Returns on investments and servicing of finance			
Interest paid	(2,126,910)	(2,832,104)	
Interest received	33,823	27,017	
Settlement of secured loan	-	20,000	
	(2,093,087)		(2,785,087)
Capital expenditure			
Payments to acquire property fixed assets	(4,404,542)	(11,894,963)	
Payments to acquire other fixed assets	(411,694)	(22,548)	
Receipts from sales of property fixed assets	2,586,291	510,000	
Receipts from sales of other fixed assets	-	20,950	
Legal and other costs on sales of property assets	(166,080)	(11,044)	
	(2,396,025)		(11,397,605)
Acquisitions and disposals			
Investment in associated undertaking	(-)	(500)	
Investment in subsidiary undertaking	(72,413)	(-)	
Overdrafts and loans acquired with subsidiary undertaking	(6,939,170)	(-)	
	(7,011,583)		(500)
Net Cash (outflow)/inflow before use of liquid resources and financing	(13,361,749)		1,325,317
Financing			
Investment bank loans received	3,005,091	10,680,688	
Development bank loans received	18,124,662	5,632,691	
Development bank loans repaid	(8,844,161)	(14,573,615)	
Enterprise Ireland Grant	1,430,279	1,177,230	
Sales reservations received	268,277	-	
Sales reservations applied	(-)	(3,980,650)	
	13,984,148		(1,063,656)
Increase in net cash balance	£ 622,399		£ 261,661

Howard Holdings plc

Notes to the Consolidated Cash Flow Statement

For the year ended 30th April 2007

1 Reconciliation of operating profit to net cash
(outflow)/inflow from operating activities

	2007 £	2006 £
Operating profit	423,920	1,558,997
Depreciation	61,539	27,353
Loss on disposal of tangible fixed assets	-	2,336
Movement stock and work in progress	(564,505)	12,221,740
debtors	(1,560,666)	(3,603,337)
creditors	(353,583)	5,301,420
foreign exchange	132,241	-
Net cash (outflow)/inflow from operating activities	£(1,861,054)	£ 15,508,509

2 Reconciliation of net cash flow to movement in net debt

	2007 £	2006 £
Increase in cash	622,399	261,661
Enterprise Ireland Grant	(1,430,279)	(1,177,230)
Investment bank loans received	(3,005,091)	(10,680,688)
Development bank loans received	(18,124,662)	(5,632,691)
Development bank loans repaid	8,844,161	14,573,615
Sales reservations received	(268,277)	(-)
Sales reservations applied	-	3,980,650
Change in net debt	(13,361,749)	1,325,317
Net debt brought forward	(43,095,486)	(44,420,803)
Net debt at year end	£(56,457,235)	£(43,095,486)

3 Analysis of changes in net debt

	At 1 st May 2006 £	Cash Flows £	At 30 th April 2007 £
Bank and cash balances	631,591	31,526	663,117
Bank overdrafts	(754,424)	590,873	(163,551)
Bank loans	(37,795,423)	(12,285,592)	(50,081,015)
Enterprise Ireland Grant	(1,177,230)	(1,430,279)	(2,607,509)
Sales reservations	(4,000,000)	(268,277)	(4,268,277)
	£(43,095,486)	£(13,361,749)	£(56,457,235)

Howard Holdings plc

Notes to the Accounts

1 Accounting policies

Basis of accounting

The group financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with applicable United Kingdom accounting standards

Basis of consolidation

The group financial statements include the results of Howard Holdings plc and all its subsidiary undertakings at 30th April 2007. The financial statements of the subsidiaries are drawn up to 30th April 2007 or 31st March 2007 and are prepared in accordance with the group accounting policies

Turnover

Turnover excludes inter-company transactions, transfers to investment properties and value added tax and represents the amounts receivable in the ordinary course of business for goods and services provided. Turnover in respect of development property comprises units sold where legal completion has taken place at the balance sheet date. All turnover comprises activities carried out in the United Kingdom

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and impairment. Depreciation has been provided on all tangible fixed assets, other than long leasehold investment properties, at rates calculated to write off the cost or valuation of each asset, less estimated residual value, over their estimated useful lives

	Rate	Basis
Improvements to leasehold		over the term of the lease
Vehicles, plant and equipment	15% to 33 33%	reducing balance
Furniture and fittings	15%	reducing balance
Computer equipment	25%	straight line

Investment properties

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to or from the investment revaluation reserve. Depreciation is not provided in respect of long leasehold investment properties. The Companies Act 1985 however require that all fixed assets are depreciated on an annual basis. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view. The financial effect of the departure from the statutory accounting rules is not material

Intangible assets – goodwill

Goodwill arising on consolidation consisting of the excess of the fair value of consideration over the fair value of the tangible assets of these subsidiaries at the date of acquisition has been written off in full against consolidated reserves

Howard Holdings plc

Notes to the Accounts

(Continued)

1 Accounting policies (continued)

Land and work in progress

Land and work in progress is valued at the lower of cost and net realisable value, and consists of land, materials, labour, professional fees and bank interest and fees directly relating to development property. Provision is made for foreseeable losses on developments where the outcome can be assessed with reasonable certainty.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments.

Deferred taxation

Deferred taxation is not provided on the revaluation of investment properties. Tax deferred by the effect of timing differences of capital allowances is accounted for in accordance with Financial Reporting Standard 19.

Revaluation reserve

Surpluses arising on the revaluation of investment properties are credited to the revaluation reserve. Any unrealised trading profits arising from inter-group transfers to investment properties are removed from the profit and loss account and credited to revaluation reserve.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange arising at the time of the transaction. Monetary assets and liabilities are converted to sterling at the rate ruling at the balance sheet date.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Pension contributions

The group contributes to defined contribution pension schemes in independently administered funds with the assets of the schemes held by insurance companies. Contributions are recognised in the period to which they relate.

(Continued)

14

Howard Holdings plc

Notes to the Accounts

(Continued)

5 Directors' remuneration

	2007	2006
	£	£
Remuneration of the companys' directors paid by the group amounts to		
As executives	200,000	300,000
Non executive fees	65,000	60,000
	<hr/>	<hr/>
	£ 265,000	£ 360,000
	<hr/>	<hr/>
Remuneration of the highest paid director	£ 200,000	£ 300,000
	<hr/>	<hr/>

6 Staff costs

The aggregate payroll costs of employees, were as follows

	2007	2006
	£	£
Wages and salaries	1,664,397	1,443,976
Social security costs	191,154	162,013
Pension contributions	47,388	24,295
	<hr/>	<hr/>
	£ 1,902,939	£ 1,630,284
	<hr/>	<hr/>

The average number of persons, employed by the group during the year was 33 (2006 – 30)

Howard Holdings plc

Notes to the Accounts

(Continued)

7 Taxation

The taxation (charge)/credit for the year comprises

	2007 £	2006 £
Current tax charge for the year at 30% (2006 30%)	(282,434)	-
Transfer from deferred taxation account	201,420	137,130
	<hr/>	<hr/>
Tax on ordinary activities	£(81,014)	£ 137,130
	<hr/>	<hr/>

Reconciliation of current tax charge for the year

	2007 £	2006 £
Loss on ordinary activities	(1,422,708)	(977,134)
	<hr/>	<hr/>
Taxation on ordinary activities at 30% (2006 30%)	426,810	293,140
Effects of		
Losses brought forward	19,540	-
Non deductible expenses	(42,010)	(30,070)
Capital allowances	3,477	(57,650)
Capital gains	(193,901)	74,685
Consolidation	(103,700)	(260,565)
Losses carried forward	(168,360)	(19,540)
Group relief not available	(224,290)	(-)
	<hr/>	<hr/>
	(709,244)	(293,140)
	<hr/>	<hr/>
	£(282,434)	£ -
	<hr/>	<hr/>

Tax losses carried forward in subsidiary undertakings amount to £561,000

8 Loss for the financial year

A profit of £1,759,967 (2006 profit of £2,586,167) within the consolidated loss attributable to the shareholders of Howard Holdings plc has been dealt with in the financial statements of that company. Howard Holdings plc has taken advantage of the legal dispensation under Section 230 of the Companies Act 1985 allowing it not to publish a separate profit and loss account.

Howard Holdings plc

Notes to the Accounts

(Continued)

9 Tangible fixed assets

(a) The Group

	Investment Freehold	Properties Long Leasehold	Improvements to Leasehold	Vehicles, Plant and Fittings	Total
	£	£	£	£	£
Cost or valuation					
At 1 st May 2006	1,000,000	14,490,001	-	194,713	15,684,714
Transfer from work in progress	-	4,110,599	-	-	4,110,599
Additions	-	293,943	202,551	209,143	705,637
Surplus on revaluation	-	2,413,144	-	-	2,413,144
Disposals	(1,000,000)	(1,173,752)	(-)	(-)	(2,173,752)
Foreign exchange adjustment	-	(132,241)	-	-	(132,241)
At 30 th April 2007	-	20,001,694	202,551	403,856	20,608,101
Cost	-	-	202,551	403,856	606,407
Valuation – 2007	-	20,001,694	-	-	20,001,694
Depreciation					
At 1 st May 2006	-	-	-	130,868	130,868
Charge for the year	-	-	20,251	41,288	61,539
At 30 th April 2007	-	-	20,251	172,156	192,407
Net book value					
At 30 th April 2007	£ -	£ 20,001,694	£ 182,300	£ 231,700	£ 20,415,694
At 30 th April 2006	£ 1,000,000	£ 14,490,001	£ -	£ 63,845	£ 15,553,846

Howard Holdings plc

Notes to the Accounts

(Continued)

9 Tangible fixed assets (continued)

The groups investment properties were professionally valued at 30th April 2007 on an open market basis by independent chartered surveyors. The valuations have been incorporated into the financial statements and the revaluation adjustments arising reflected in the revaluation reserve.

Under the historical cost basis the value of freehold and leasehold investment properties, which have been revalued, is:

	2007 £	2006 £
Freehold investment properties	-	113,772
Long leasehold investment properties (over 50 years unexpired)	16,697,607	13,599,058
	<u>£ 16,697,607</u>	<u>£ 13,712,830</u>

(b) The Company

	Improvements to Leasehold	Fixtures, Fittings & Computer Equipment	Total
	£	£	£
Cost			
At 1 st May 2006	-	194,713	194,713
Additions	202,551	149,820	352,371
	<u>202,551</u>	<u>344,533</u>	<u>547,084</u>
At 30 th April 2007	202,551	344,533	547,084
Depreciation			
At 1 st May 2006	-	130,868	130,868
Charge for the year	20,251	34,965	55,216
	<u>20,251</u>	<u>165,833</u>	<u>186,084</u>
At 30 th April 2007	20,251	165,833	186,084
Net book value			
At 30 th April 2007	<u>£ 182,300</u>	<u>£ 178,700</u>	<u>£ 361,000</u>
At 30 th April 2006	<u>£ -</u>	<u>£ 63,845</u>	<u>£ 63,845</u>

Howard Holdings plc

Notes to the Accounts

(Continued)

10 Investments in subsidiary undertakings

	2007	2006
	£	£
Cost at 1 st May 2006	4,634,105	4,647,969
Additions	72,418	1,000
Disposals	(1,000)	-
Provision against investment cost	(-)	(14,864)
	<hr/>	<hr/>
Cost at 30 th April 2007	£ 4,705,523	£ 4,634,105
	<hr/>	<hr/>

With the exception of Howard Webworks Limited the subsidiaries are registered in England and Wales and operate in the United Kingdom. The proportion of ordinary share capital held is as follows

	Activity	Direct %	Indirect %
Howard Developments Limited	Property Development	100	
Howard House Properties Limited	Property Investment	100	
Fleetglade Limited	Property Development	100	
Clublane Limited	Property Development	100	
Rushden Park & Lakes Development Company Limited	Property Development	50	
Vinemead Limited	Property Development	100	
Plumdean Limited	Property Development	100	
Howard Webworks Limited (Incorporated in the Republic of Ireland)	Property Investment	100	
Howard Holdings (Weymouth) Limited	Property Development	100	
Bridgemist Limited	Property Investment	100	
Howard Holdings Asset Management (UK) Limited	Property Management	100	
Primeweald Limited	Property Development	100	
MC First Limited	Commission Agents	100	
Safemanor Limited	Dormant	100	
Clubstand Limited	Dormant	100	
Nelson Saw Mills and Joinery Works Limited	Dormant	100	
Howard Plant Hire Limited	Dormant	100	
Howard House Investments Limited	Dormant	100	
Lanestore Limited	Dormant	100	
Lanebright Limited	Dormant	100	
Charles J Fisk (Developments) Limited	Dormant	100	
Maidstone Buildings Residential Limited	Dormant		100
Maidstone Buildings Commercial Limited	Dormant		100

Howard Holdings plc

Notes to the Accounts

(Continued)

10 Investments in subsidiary undertakings (continued)

- (a) All subsidiary undertakings have been included in the group financial statements
- (b) All subsidiary undertakings have a financial year end of 30th April 2007 with the exception of Rushden Parks & Lakes Development Company Limited which has a financial year end of 31st March 2007
- (c) The shares in Rushden Park & Lakes Development Company Limited were acquired on 30th June 2006 for a cash consideration and represent 50% of the issued share capital. The directors of Howard Holdings plc consider Rushden Park & Lakes Development Company Limited to be a subsidiary undertaking because of the dominant influence exercised over the company's operations. The purchase was accounted for as an acquisition.

The net assets acquired were

	Book Value £	Fair Value Adjustment £	Fair Value on Adjustment £
Land and work in progress	7,358,614	(205,916)	7,152,698
Debtors	29,037	-	29,037
Creditors falling due within one year	(2,911,908)	-	(2,911,908)
Creditors falling due after more than one year	(4,125,000)	-	(4,125,000)
	<hr/>	<hr/>	<hr/>
	£ 350,743	£(205,916)	144,827
	<hr/>	<hr/>	
Minority interest			(72,414)
			<hr/>
Net assets acquired			72,413
Goodwill			-
			<hr/>
Consideration			£ 72,413
			<hr/>
Consideration satisfied by, Cash paid and expenses			£ 72,413
			<hr/>

The book values of assets and liabilities were those at the date of acquisition

- (d) Howard Holdings (Weymouth) Limited, Primeweald Limited and MC First Limited were incorporated during the year and Howard Holdings plc acquired the subscriber shares
- (e) Provision has been made where the investment cost is materially in excess of the realisable shareholders funds

Howard Holdings plc

Notes to the Accounts

(Continued)

11 Investment in Associated Company

The investment in Groundfrost Limited, a company registered in England and Wales, is represented by 500 ordinary shares of £1 each being 5% of the issued ordinary shares. The principal activity of the company and its subsidiary undertaking is property investment and no result of activities in the period to 30th April 2007 or 2006 has been included in the consolidated profit and loss account.

12 Stock and work in progress

	2007 Group	2006 Group
Land and development work in progress	£ 47,208,431	£ 39,491,228

The amount of interest and bank fees being carried forward in stock and work in progress was £3,884,977 (2006 £3,292,330).

13 Debtors

Amounts falling due within one year

	2007		2006	
	Group £	Parent £	Group £	Parent £
Trade debtors	640,418	-	429,289	-
Prepayments	774,184	14,251	263,570	43,500
Value added tax	380,527	34,564	1,066,357	24,970
Amounts owed by fellow Group undertakings	-	14,003,517	-	9,777,335
Amounts owed by related undertakings	5,578,382	5,339,550	4,797,457	4,382,524
Amount owed by holding company	2,229,263	2,229,263	1,476,571	1,476,571
Other debtors	20,173	20,906	-	-
	<u>£ 9,622,947</u>	<u>£ 21,642,051</u>	<u>£ 8,033,244</u>	<u>£ 15,704,900</u>

Included in the parent company's amounts owed by fellow group undertakings is an amount of £2,388,937 (2006 £2,284,870) which is not repayable within one year.

Howard Holdings plc

Notes to the Accounts

(Continued)

14 **Creditors:** amounts falling due within one year

	2007		2006	
	Group £	Parent £	Group £	Parent £
Bank overdrafts (secured)	163,551	55,084	754,424	520,533
Bank loans (secured)	36,395,236	-	27,114,735	-
Debt due within one year	36,558,787	55,084	27,869,159	520,533
Trade creditors	6,717,261	387,785	6,675,514	95,092
Social security and other taxes	378,458	575,413	55,257	18,056
Accruals	494,338	97,251	486,736	94,253
Amounts owed to subsidiary undertakings	-	8,038,493	-	4,767,605
Sales reservations	4,268,277	-	4,000,000	-
Amount owed to related companies	182,133	182,133	1,581,197	102,133
Amount owed to associated companies	103,178	113,178	257,887	257,887
Other creditors	1,207,812	1,207,812	-	-
	<u>£ 49,910,244</u>	<u>£ 10,657,149</u>	<u>£ 40,925,750</u>	<u>£ 5,855,559</u>

- (a) The bank overdrafts are secured by cross guarantees and floating charges over the assets of the company and the subsidiary undertakings
- (b) The bank loans are specific to and secured by a first fixed charge over each development project, with cross guarantees by the company and subsidiary undertakings
- (c) Interest on the bank overdrafts and bank loans is charged at fixed and variable rates

Howard Holdings plc

Notes to the Accounts

(Continued)

15 Creditors amounts falling due after more than one year

	2007		2006	
	Group £	Parent £	Group £	Parent £
Bank loans (secured)	13,685,779	2,388,937	10,680,688	2,284,870
Enterprise Ireland Grant	2,607,509	-	1,177,230	-
	<u>£ 16,293,288</u>	<u>£ 2,388,937</u>	<u>£ 11,857,918</u>	<u>£ 2,284,870</u>

- (a) The bank loans are secured by a fixed charge on the investment properties. The loans are for periods of five and twenty years.
- (b) The Enterprise Ireland Grant has been received to assist with the establishment of a state-of-the-art regional technology hub in Cork City. The grant is repayable, should certain conditions not be met, reducing over a period of eight years.

16 Deferred taxation

The movement on the provision for deferred taxation arising in respect of accelerated capital allowances is as follows

	2007		2006	
	Group £	Parent £	Group £	Parent £
At 1 st May 2006	201,420	-	338,550	-
Profit and loss account	(201,420)	-	(137,130)	-
	<u>£ -</u>	<u>£ -</u>	<u>£ 201,420</u>	<u>£ -</u>

17 Share capital

	2007 £	2006 £
Authorised 30,000,000 Ordinary shares of 10p each	<u>3,000,000</u>	<u>3,000,000</u>
Allotted, issued and fully paid 27,006,109 Ordinary shares of 10p each	<u>2,700,611</u>	<u>2,700,611</u>

Howard Holdings plc

Notes to the Accounts

(Continued)

18 Revaluation reserve

	2007 Group £	2006 Group £
Balance at 1 st May 2006	3,102,275	1,057,627
Revaluation surplus in the year	2,413,144	2,169,633
Transfer to profit and loss account in respect of disposals	(932,642)	(124,985)
	<hr/>	<hr/>
Balance at 30 th April 2007	£ 4,582,777	£ 3,102,275
	<hr/>	<hr/>

19 Profit and loss account

	2007		2006	
	Group £	Parent £	Group £	Parent £
Balance at 1 st May 2006	4,717,050	9,356,925	5,432,069	6,293,758
Result for the year after taxation	(1,503,722)	1,400,067	(840,004)	3,063,167
Transfer from revaluation reserve	932,642	-	124,985	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 th April 2007	£ 4,145,970	£ 10,756,992	£ 4,717,050	£ 9,356,925
	<hr/>	<hr/>	<hr/>	<hr/>

20 Reconciliation of movement in shareholders' funds

	2007		2006	
	Group £	Parent £	Group £	Parent £
Shareholders' funds at 1 st May 2006	10,725,321	12,262,921	9,395,692	9,199,754
Revaluation surplus in the year (note 18)	2,413,144	-	2,169,633	-
Result for the year (note 19)	(1,503,722)	1,400,067	(840,004)	3,063,167
	<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' funds at 30 th April 2007	£ 11,634,743	£ 13,662,988	£ 10,725,321	£ 12,262,921
	<hr/>	<hr/>	<hr/>	<hr/>

Howard Holdings plc

Notes to the Accounts

(Continued)

21 Contingent liabilities

There are cross guarantees on the assets of Howard Holdings plc for bank overdrafts and bank loans in group and related party undertakings

22 Capital Commitments

The group have commitments in respect of development projects where the total contractual value is £42,100,000

23 Operating lease commitments

At the 30th April 2007 the group had commitments within the next twelve months under non cancellable operating leases of £102,000

24 Related party transactions

- (a) The company is controlled by Rushbrook Property plc, a company registered in Northern Ireland. The directors are unable to state where ultimate control vests. Transactions with subsidiary and fellow group undertakings do not fall to be disclosed separately where 90% or more of the voting rights are held within the group.
- (b) T G Coughlan and B P Murtagh, directors of the company, have advanced a subsidiary project development undertaking a total of £668,000 in respect of sales reservations.
- (c) The company has provided guarantees, in respect of project development finance, to companies and undertakings in which T G Coughlan, B J Madden and B P Murtagh have a beneficial interest.
- (d) The group, and the company, have amounts due to and from related companies and undertakings, all of which are disclosed separately in notes 13 and 14. T G Coughlan, B J Madden and B P Murtagh have a direct or indirect beneficial interest in the companies and undertakings.
- (e) The group are in receipt of and incur management charges arising from services provided in respect of development projects in group undertakings and related companies and undertakings. T G Coughlan, B J Madden and B P Murtagh have a direct or indirect beneficial interest in the related companies and undertakings.
- (f) Howard Holdings plc occupies premises held by B J Madden of an annual cost amounting to £46,730.

25 Ultimate Parent Undertaking

The directors consider the ultimate parent undertaking to be Rushbrook Property plc, a company registered in Northern Ireland.