

LINPAVE LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2006

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COMPANIES HOUSE

Company Registration Number 1064071

Tenon Limited
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

LINPAVE LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006

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LINPAVE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
PERIOD ENDED 31 MARCH 2006

The director	JF Wells
Company secretary	N Muffit
Business address	Rand Market Rasen Lincolnshire LN8 5NJ
Registered office	Rand Market Rasen Lincolnshire LN8 5NJ
Auditor	Tenon Audit Limited Registered Auditor Charnwood House Gregory Boulevard Nottingham NG7 6NX
Accountants	Tenon Limited Charnwood House Gregory Boulevard Nottingham NG7 6NX
Bankers	Yorkshire Bank 11 Smithy Row Nottingham NG1 2EJ
Solicitors	Gateley Wareing City Gate East Tollhouse Hill Nottingham NG1 5TS

LINPAVE LIMITED
THE DIRECTOR'S REPORT
PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006

The director presents his report and the financial statements of the company for the period from 1 October 2005 to 31 March 2006.

Principal activities

During the period the directors changed the accounting reference date from 30 September to 31 March.

The principal activity of the company continued to be those of construction and of property holding. The company did not actively trade during the year.

Director

The director who served the company during the period was as follows:

JF Wells
ME Eustace

The company is a wholly owned subsidiary and the interests of the group director are disclosed in the financial statements of the parent company.

ME Eustace resigned as a director on 12 December 2006.

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director to prepare financial statements for each financial year 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 director is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

In so far as the director is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

LINPAVE LIMITED

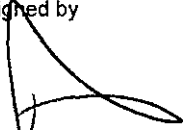
THE DIRECTOR'S REPORT *(continued)*

PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by

A handwritten signature in black ink, appearing to be 'J F Wells', written over a horizontal line.

J F Wells

Director

Approved by the director on 29 January 2007

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINPAVE
LIMITED****PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006**

We have audited the financial statements of Linpave Limited for the period from 1 October 2005 to 31 March 2006 on pages 6 to 11 which have been prepared on the basis of the accounting policies set out on page 8.

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 director and auditor

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether the information given in the Director's Report is consistent with the financial statements. We also 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 director's remuneration and other transactions is not disclosed.

We read other information contained in the Director's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 director 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINPAVE
LIMITED (continued)****PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006**

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 affairs of the company as at 31 March 2006 and of the loss for the period then ended;
- have been properly prepared in accordance with the Companies Act 1985 applicable to small companies; and
- the information given in the Director's Report is consistent with the financial statements.



Tenon Audit Limited
Registered Auditors
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

Date:- 31 January 2007

LINPAVE LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006

	Note	31 Mar 06 £	Year to 30 Sep 05 £
Turnover		—	—
Administrative expenses		—	(439)
Operating loss		—	(439)
Interest payable and similar charges		(3,174)	(5,615)
Loss on ordinary activities before taxation		(3,174)	(6,054)
Tax on loss on ordinary activities	2	—	125
Loss for the financial period		(3,174)	(5,929)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 8 to 11 form part of these financial statements.

LINPAVE LIMITED
BALANCE SHEET
31 MARCH 2006

	Note	31 Mar 06 £	£	30 Sep 05 £	£
Fixed assets					
Tangible assets	3		-		-
Current assets					
Debtors	4	1,179,415		1,178,755	
Cash at bank		2,824		2,824	
		<u>1,182,239</u>		<u>1,181,579</u>	
Creditors: Amounts falling due within one year	5	<u>(438,552)</u>		<u>(434,718)</u>	
Net current assets			743,687		746,861
Total assets less current liabilities			<u>743,687</u>		<u>746,861</u>
Capital and reserves					
Called-up share capital	8		5,000		5,000
Profit and loss account	9		738,687		741,861
Shareholders' funds	10		<u>743,687</u>		<u>746,861</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 29 January 2007

JF Wells
Director

The notes on pages 8 to 11 form part of these financial statements.

LINPAVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006

1. Accounting policies

Basis of accounting

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

Consolidation

In the opinion of the director, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and machinery, fixtures and fittings - 20% per annum

The cost of tangible fixed assets is their purchase price together with any incidental costs of acquisition.

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the 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 enacted or substantively enacted at the balance sheet date.

LINPAVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006

2. Taxation on ordinary activities

(a) Analysis of charge in the period

	31 Mar 06	<i>Year to</i> 30 Sep 05
	£	£
Corporation tax	-	-
(Over)/under provision in prior year	-	(125)
	<u>-</u>	<u>(125)</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2005 - —%).

	31 Mar 06	<i>Year to</i> 30 Sep 05
	£	£
Loss on ordinary activities before taxation	(3,174)	(6,054)
(Loss)/Profit on ordinary activities by the expected rate of corporation tax	(952)	(1,816)
Effects of:		
Capital allowances for period in excess of depreciation	(101)	-
Utilisation of tax losses	1,053	1,691
Total current tax (note 2(a))	<u>-</u>	<u>(125)</u>

3. Tangible fixed assets

	Plant and machinery, fixtures and fittings
	£
Cost	
At 1 October 2005 and 31 March 2006	<u>106,834</u>
Depreciation	
At 1 October 2005 and 31 March 2006	<u>(106,834)</u>
Net book value	
At 31 March 2006	<u>-</u>
At 30 September 2005	<u>-</u>

LINPAVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006

4. Debtors

	31 Mar 06	30 Sep 05
	£	£
Trade debtors	4,696	4,696
Amounts owed by group undertakings	1,174,719	1,174,059
	<u>1,179,415</u>	<u>1,178,755</u>

All amounts shown under debtors fall due for payment within one year.

5. Creditors: Amounts falling due within one year

	31 Mar 06	30 Sep 05
	£	£
Bank loans	99,715	97,078
Trade creditors	—	154
Amounts owed to group undertakings	338,837	337,486
	<u>438,552</u>	<u>434,718</u>

The bank borrowings are secured by means of a fixed and floating charge over the assets of the company. The loan is repayable in equal monthly instalments and bears interest at a rate of 1% above Yorkshire Bank's base lending rate.

6. Contingent liabilities

The company has guaranteed the bank borrowing of other group companies. As at 31 March 2006 the net indebtedness of the group companies for which a guarantee had been given amounted to £4,455,918 (2005: £5,357,589).

7. Related party transactions

The company has taken advantage of the exemptions available under FRS 8 from the disclosures relating to transactions with other group companies where 90% or more of the voting rights are controlled within the group.

8. Share capital

Authorised share capital:

	31 Mar 06	30 Sep 05
	£	£
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

Allotted, called up and fully paid:

	31 Mar 06	30 Sep 05
	No £	No £
Ordinary shares of £1 each	<u>5,000</u> <u>5,000</u>	<u>5,000</u> <u>5,000</u>

LINPAVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 OCTOBER 2005 TO 31 MARCH 2006

9. Profit and loss account

	31 Mar 06	<i>Year to</i> 30 Sep 05
	£	£
Balance brought forward	741,861	747,790
Loss for the financial period	<u>(3,174)</u>	<u>(5,929)</u>
Balance carried forward	<u>738,687</u>	<u>741,861</u>

10. Reconciliation of movements in shareholders' funds

	31 Mar 06	<i>30 Sep 05</i>
	£	£
Loss for the financial period	(3,174)	(5,929)
Opening shareholders' funds	<u>746,861</u>	<u>752,790</u>
Closing shareholders' funds	<u>743,687</u>	<u>746,861</u>

11. Ultimate parent company

The company's ultimate parent company and controlling party is Rand Group Limited, a company incorporated in England. Copies of the consolidated financial statements of Rand Group Limited are available from Companies House.