

ENGLEMERE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

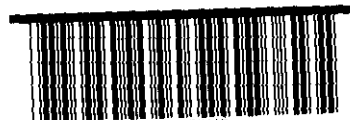
for the year ended

31 DECEMBER 2005

Registered Office:

Englemere
Kings Ride
Ascot
Berkshire SL5 7TB

Registered in England No. 2193639



A12 *A1SL7IMG* 571
COMPANIES HOUSE 07/09/2006

A42 *A1SL7IMG* 77
COMPANIES HOUSE 08/07/2006

ENGLEMERE LIMITED

DIRECTORS

H A Palmer (Chairman)

C M Laing

J E Douglas (Managing Director)

C Blythe

G H Wright

SECRETARY

C Blythe

AUDITORS

BDO Stoy Hayward LLP
Kings Wharf
20 – 30 Kings Road
Reading
Berkshire
RG1 3EX

ENGLEMERE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2005

Principal activities

The Company is wholly owned by The Chartered Institute of Building for whom it undertakes commercial activities in the area of publications, conferences, exhibitions, lettings and the provision of services to Institute members.

Business review and future development

The Company's pre tax profit for the year was £86,175. Englemere Ltd is expected to continue to trade profitably in the coming year.

Operating results before taxation

The company covenanted the sum of £80,175 to The Chartered Institute of Building leaving a balance of £4,000 to be added to retained profits. No dividends are paid.

Directors and their interests

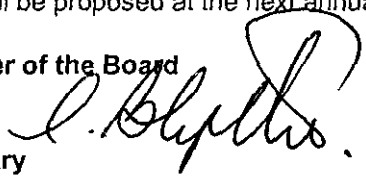
The directors of the Company are shown on page 1. None of the directors have any interest in the shares of the Company. The Company has insured its directors and officers under a Directors' and Officers' Liability insurance policy.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

By order of the Board

Secretary



ENGLEMERE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 for that financial year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its activities.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ENGLEMERE LIMITED

To the shareholders of Englemere Limited

We have audited the financial statements of Englemere Limited for the year ended 31 December 2005 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 therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are 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. We also report to you if, in our opinion, the Director's 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 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.

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 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ENGLEMERE LIMITED
(Continued)

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 31 December 2005 and of its profit for the year 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
Reading

12th May 2006

ENGLEMERE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

| | Notes | 2005 £ | 2004 £ |
|--|-------|--------------------|--------------------|
| Turnover | 2 | 1,627,176 | 1,577,704 |
| Cost of sales | | <u>(1,301,066)</u> | <u>(1,284,251)</u> |
| Gross profit | | 326,110 | 293,453 |
| Administrative expenses | | <u>(239,935)</u> | <u>(237,524)</u> |
| Operating Profit | | 86,175 | 55,929 |
| Other interest receivable and similar income | | <u>0</u> | <u>0</u> |
| Profit before taxation | | 86,175 | 55,929 |
| Taxation on profit on ordinary activities | 6 | <u>1,000</u> | <u>0</u> |
| Profit on ordinary activities after taxation | | 85,175 | 55,929 |
| Profit covenanted to parent undertaking | | <u>(80,175)</u> | <u>(51,671)</u> |
| Retained profit for the financial year | | 5,000 | 4,258 |
| Retained profit brought forward | | <u>37,855</u> | <u>33,597</u> |
| Retained profit carried forward | | <u>42,855</u> | <u>37,855</u> |

All amounts relate to continuing activities.

The company has no recognised gains or losses other than those included in the results above.

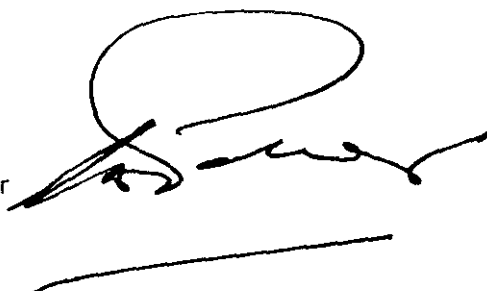
ENGLEMERE LIMITED
BALANCE SHEET AT 31 DECEMBER 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|------------------|------------------|
| Fixed Assets | | | |
| Machinery | 7 | 1,903 | 1,646 |
| Fixtures and Fittings | 7 | <u>6,288</u> | <u>7,428</u> |
| | | 8,191 | 9,074 |
| Current Assets | | | |
| Stocks | 8 | 52,141 | 58,039 |
| Debtors | 9 | 200,505 | 119,415 |
| Cash at bank in hand | | <u>20,470</u> | <u>43,146</u> |
| | | 273,116 | 220,600 |
| Creditors: amounts falling due within one year | 10 | <u>(237,452)</u> | <u>(190,819)</u> |
| Net current assets | | 35,664 | 29,781 |
| Net Assets | | <u>43,855</u> | <u>38,855</u> |
| Capital and Reserves | | | |
| Called up share capital | 12 | 1,000 | 1,000 |
| Profit and Loss account | | 42,855 | 37,855 |
| Shareholders funds | 13 | <u>43,855</u> | <u>38,855</u> |

The financial statements were approved by the board on 12th May 2006

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

Director



Director



ENGLEMERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Basis of Accounting

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

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £250.00 are capitalised at cost. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives. The annual depreciation rates used are as follows:

| | |
|----------------------|-------|
| Furniture, equipment | 12.5% |
| Machinery | 25% |

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 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.

2. Turnover

Turnover represents amounts invoiced by the Company in respect of publications, conferences, exhibitions, lettings and the provision of services to members of The Chartered Institute of Building.

3. Audit Fees

Audit fees charged for 2005 amounted to £4,920 (2004: £5,352).

4. Directors' emoluments

None of the directors received any emoluments from the Company for their services to the Company.

5. Employees

The Company has no employees other than directors who are paid through the Chartered Institute of Building. Employee services are provided by The Chartered Institute of Building.

6. Taxation on profit on ordinary activities

| | 2005 | 2004 |
|--|--------------|----------|
| | £ | £ |
| UK corporation tax on profits for the year at 19% (2004 – 19%) | 1,000 | 0 |
| | <u>1,000</u> | <u>0</u> |

ENGLEMERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Tangible Fixed Assets

| | Furniture, Equipment £ | Machinery £ | Total £ |
|-----------------------|------------------------------|----------------|--------------|
| Cost | | | |
| 1 January 2005 | 9,168 | 3,950 | 13,118 |
| Additions in year | 0 | 1,369 | 1,369 |
| Disposals in year | <u>0</u> | <u>0</u> | <u>0</u> |
| 31 December 2005 | 9,168 | 5,319 | 14,487 |
| Depreciation | | | |
| 1 January 2005 | 1,740 | 2,304 | 4,044 |
| Provided for the year | <u>1,140</u> | <u>1,112</u> | <u>2,252</u> |
| 31 December 2005 | <u>2,880</u> | <u>3,416</u> | <u>6,296</u> |
| Net Book Value | | | |
| 31 December 2005 | <u>6,288</u> | <u>1,903</u> | <u>8,191</u> |
| 31 December 2004 | <u>7,428</u> | <u>1,646</u> | <u>9,074</u> |

8. Stock

Stocks of publications for resale are carried at the lower of cost and net realisable value. Stocks of stationery and publications not for resale are written off when acquired.

9. Debtors

| | 2005 £ | 2004 £ |
|-------------------------------------|----------------|----------------|
| Trade Debtors | 137,774 | 101,139 |
| Prepayments | 16,149 | 12,982 |
| Amount owed from parent undertaking | 44,432 | 4,202 |
| Other Debtors | 3 | 3 |
| Accrued Income | <u>2,147</u> | <u>1,089</u> |
| | <u>200,505</u> | <u>119,415</u> |

10. Creditors

| | 2005 £ | 2004 £ |
|-----------------------------------|----------------|----------------|
| Trade Creditors | 82,629 | 54,644 |
| Amount owed to parent undertaking | 80,175 | 51,671 |
| Corporation tax | 1,073 | 73 |
| Other Creditors | 36,703 | 30,632 |
| Accruals | <u>36,872</u> | <u>53,799</u> |
| | <u>237,452</u> | <u>190,819</u> |

ENGLEMERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Parent undertaking

The company is wholly owned by The Chartered Institute of Building, a charity registered in England and Wales.

12. Share Capital

| | 2005 £ | 2004 £ |
|---|--------------|--------------|
| Authorised, allotted, called up, and fully paid 1,000 Ordinary Shares of £1 each | <u>1,000</u> | <u>1,000</u> |

13. Reconciliation of shareholders' funds

| | 2005 £ | 2004 £ |
|------------------------------|---------------|---------------|
| Opening shareholder's funds | 38,855 | 34,597 |
| Retained profit for the year | <u>5,000</u> | <u>4,258</u> |
| Closing shareholder's funds | <u>43,855</u> | <u>38,855</u> |

14. Ultimate parent undertaking

The ultimate parent undertaking of Englemere Limited is The Chartered Institute of Building, which is the parent of both the smallest and largest groups of which the company is a member.

The results of Englemere Ltd are included in the consolidated financial statements of The Chartered Institute of Building. Consequently the company is exempt under the terms of Financial Reporting Standard No. 8 from disclosing details of transactions with The Chartered Institute of Building.

Copies of the consolidated financial statements of The Chartered Institute of Building can be obtained by contacting Englemere Limited at the following address:

Kings Ride, Ascot, Berkshire. SL5 7TB