

**NORTH CHESHIRE PROPERTIES
LIMITED**

Annual Report and Financial Statements

Year ended 31 March 2006

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NORTH CHESHIRE PROPERTIES LIMITED

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NORTH CHESHIRE PROPERTIES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Kennedy
J G Kennedy
I G Seddon

SECRETARY

I G Seddon

REGISTERED OFFICE

78 Ashley Road
Hale
Altrincham
WA14 2UN

AUDITORS

Deloitte & Touche LLP
Manchester

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year the company has not traded following the sale of its investment property in 2004. The company is not expected to trade in the foreseeable future.

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES

The results of the company for the year are set out on page 5. The directors do not recommend a dividend for the year (2005 - £nil) and the profit of £10,497 (2005 - £71,970) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown on page 1.

J G Kennedy owned 1,785 shares in the company at 31 March 2006 (2005 - same). The remaining directors had no interests in the shares of the company during the year. Directors' interests in the shares of the parent company, PJKI Limited, are disclosed in those company's accounts.

DIRECTORS' STATEMENT ON INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

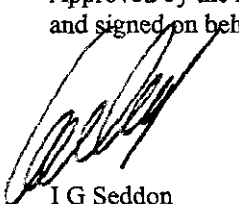
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



I G Seddon
Secretary

24 January 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that period. 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 accounting standards have been followed; and
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH CHESHIRE PROPERTIES LIMITED

We have audited the financial statements of North Cheshire Properties Limited for the year ended 31 March 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 10. 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 auditors' 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 Practices) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant reporting framework and are properly prepared in accordance with the Companies Act 1985. We 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 other information contained in the Annual Report as described in the contents section 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 further information outside the Annual Report.

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 company's circumstances, consistently applied and adequately disclosed.

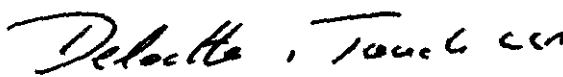
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 company's affairs as at 31 March 2006 and of its profit 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.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester



29 Jan 2007

NORTH CHESHIRE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2006

	Note	2006 £	2005 £
Administrative expenses	2	(52)	-
OPERATING LOSS		(52)	-
Other interest received		13,011	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	12,959	-
Tax on profit on ordinary activities	4	(2,462)	71,970
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR	8	<u>10,497</u>	<u>71,970</u>

The above results relate to a discontinued operation. Other than the above result for the current and prior years there were no other recognised gains or losses in the year or preceeding year, accordingly a separate Statement of Total Recognised Gains and Losses has not been produced.

Similarly there are no other movements in shareholders' funds.

NORTH CHESHIRE PROPERTIES LIMITED

BALANCE SHEET 31 March 2006

	Note	2006 £	2005 £
CURRENT ASSETS			
Debtors	5	1,880,123	1,869,294
Cash at bank and in hand		2,680	550
		<u>1,882,803</u>	<u>1,869,844</u>
CREDITORS: amounts falling due within one year	6	<u>(4,735)</u>	<u>(2,273)</u>
NET ASSETS		<u>1,878,068</u>	<u>1,867,571</u>
CAPITAL AND RESERVES			
Called up share capital	7	50,000	50,000
Profit and loss account	8	<u>1,828,068</u>	<u>1,817,571</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1,878,068</u>	<u>1,867,571</u>

These financial statements were approved by the Board of Directors on 29-1-07

Signed on behalf of the Board of Directors


I G Seddon
Director

NOTES TO THE ACCOUNTS

Year ended 31 March 2006

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below.

Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet to pay more tax, or a right to pay less tax, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of those assets.

Deferred tax assets and liabilities are not discounted.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets.

Cash flow statement

The company has taken advantage of the exemption contained in FRS 1 (Revised) – “Cash flow Statements” in not producing a cash flow statement as it qualifies as a small company.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Other than the directors there were no employees. The directors received no emoluments during the current and preceding year from this company.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee for the current and prior period has been borne by PJKI Limited, the company's parent company.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 £	2005 £
United Kingdom corporation tax at 19% (2005 - 19%)		
Based on the profit for the year	2,462	-
Adjustments in respect of prior year	-	(71,970)
	<u>2,462</u>	<u>(71,970)</u>

Circumstances affecting the current tax charge / (credit):

The standard rate of current tax for the year, based on the UK small company rate of corporation tax, is 19% (2005 - 19%). The current tax charge for the year is in line with this rate.

NOTES TO THE ACCOUNTS
Year ended 31 March 2006

4. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

	2006 £	2005 £
Profit on ordinary activities before taxation	12,959	-
Corporation tax at 19%	(2,462)	-
Prior year adjustment	-	71,970
Current tax (charge)/credit for the year	(2,462)	71,970

5. DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	1,880,123	1,830,123
Corporation tax recoverable	-	39,167
Other debtors	-	4
	1,880,123	1,869,294

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Corporation tax	2,462	-
Accruals and deferred income	2,273	2,273
	4,735	2,273

7. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised 250,000 ordinary shares of £1 each	250,000	250,000
Called up, allotted and fully paid 50,000 ordinary shares of £1 each	50,000	50,000

NOTES TO THE ACCOUNTS
Year ended 31 March 2006

8. RESERVES

	Profit and loss account £
At 1 April 2005	1,817,571
Profit for the year	10,497
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At 31 March 2006	1,828,068
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9. ULTIMATE PARENT COMPANY

PJKI Limited is the immediate parent company and P J Kennedy Investments Limited is the ultimate holding company. PJKI Limited is incorporated in the United Kingdom. PJ Kennedy Investments Limited is incorporated in the Isle of Man.

The smallest and largest group in which the results of this company are included is PJKI Limited. A copy of its accounts are available from Companies House, Cardiff.

The issued share capital of P J Kennedy Investments Limited is held in trusts for members of the family of Mr P J Kennedy and Mr J G Kennedy, who are considered to be the controlling parties.

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" in not disclosing details of transactions with other group companies as it is a 100% subsidiary.