

Longmoor Land Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2006



Company Registration No 2648287

Longmoor Land Limited

OFFICERS AND ADVISORS

DIRECTORS

E M Newcombe
M P Nottingham
T J A Simon

SECRETARY

M P Nottingham

REGISTERED OFFICE

14 Buckingham Street
London
WC2N 6DF

AUDITORS

Baker Tilly
Chartered Accountants
City Plaza
Temple Row
Birmingham
B2 5AF

Longmoor Land Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Longmoor Land Limited for the year ended 31 December 2006

PRINCIPAL ACTIVITIES

The principal activity of the company is the development of property for resale

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

This was a former trading company which following the sale of its primary asset, Parsonage Farm, Long Ashton, now acts as a holding company in respect of 42 acres of land held by Longmoor Land (Bristol) Limited

DIRECTORS

The directors who served during the year ended at 31 December 2006 and their interests in the company's share capital are as follows

| | Ordinary £1 Shares | |
|----------------|--------------------|------------------|
| | 31 December 2006 | 31 December 2005 |
| E M Newcombe | 1 | 1 |
| M P Nottingham | - | - |
| T J A Simon | - | - |

The interest of the directors in the shares of the ultimate parent undertaking, The Newcombe Estates Company Limited, are shown in that company's financial statements

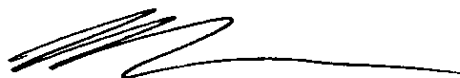
AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5) Baker Tilly UK Audit LLP has indicated its willingness to continue in office

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware Each of the directors have confirmed that 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 it has been communicated to the auditor

By order of the board



M P Nottingham
Secretary

26 April 2007

Longmoor Land Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONGMOOR LAND LIMITED

We have audited the financial statements on pages 5 to 11

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.

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 at 31 December 2006 and of its profit for the year then ended and 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.

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

City Plaza

Temple Row

Birmingham

B2 5AF

Baker Tilly UK Audit LLP

26 April 2007

Longmoor Land Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2006

| | <i>Notes</i> | 2006 £ | 2005 £ |
|--|--------------|-----------|-----------|
| TURNOVER | 1 | 151 | 254,404 |
| Cost of sales and operating charges | | (10,416) | (102,205) |
| | | <hr/> | <hr/> |
| OPERATING (LOSS)/PROFIT | 2 | (10,265) | 152,199 |
| Bank interest receivable | | 433 | 125 |
| Other operating income | | 2,531 | - |
| | | <hr/> | <hr/> |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (7,301) | 152,324 |
| Taxation | 4 | 359 | (34,250) |
| | | <hr/> | <hr/> |
| (LOSS)/PROFIT FOR THE YEAR | 10 | (6,942) | 118,074 |
| | | <hr/> | <hr/> |

The operating loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Longmoor Land Limited

BALANCE SHEET

31 December 2006

| | <i>Notes</i> | 2006 £ | 2005 £ |
|--|--------------|-----------|-----------|
| FIXED ASSETS | | | |
| Investments | 5 | 1 | 1 |
| | | <hr/> | <hr/> |
| CURRENT ASSETS | | | |
| Stocks | 6 | 533 | 533 |
| Debtors | 7 | 187,388 | 102,763 |
| Cash at bank and in hand | | 2,287 | 130,093 |
| | | <hr/> | <hr/> |
| | | 190,208 | 233,389 |
| CREDITORS Amounts falling due within one year | 8 | (15,151) | (51,390) |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 175,057 | 181,999 |
| | | <hr/> | <hr/> |
| NET ASSETS | | 175,058 | 182,000 |
| | | <hr/> | <hr/> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 100 | 100 |
| Profit and loss account | 10 | 174,958 | 181,900 |
| | | <hr/> | <hr/> |
| SHAREHOLDERS' FUNDS | 11 | 175,058 | 182,000 |
| | | <hr/> | <hr/> |

The financial statements on pages 5 to 11 were approved by the board of directors and authorised for issue on 26 April 2007 and are signed on its behalf by



M P Nottingham
Director

Longmoor Land Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

The company has taken advantage of the exemptions from preparing a cash flow statement conferred by Financial Reporting Standard No 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies

STOCKS

Stock represents land awaiting development or held for resale and is valued at the lower of cost and net realisable value

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

TURNOVER

Turnover comprises the gross proceeds of sales and rental income and is accounted for on a receivable basis

GROUP ACCOUNTS

The company is exempt, under Sections 228 of the Companies Act 1985, from the obligation to prepare and deliver group accounts. These accounts therefore represent the transactions of this company alone

Longmoor Land Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

| | | | |
|---|----------------|------------|----------------|
| 1 | TURNOVER | 2006 £ | 2005 £ |
| | Property sales | - | 250,000 |
| | Rental income | - | 3,455 |
| | Other income | 151 | 949 |
| | | <u>151</u> | <u>949</u> |
| | | <u>151</u> | <u>254,404</u> |

| | | | |
|---|--|------------|-----------|
| 2 | OPERATING (LOSS)/PROFIT | 2006 £ | 2005 £ |
| | Profit on ordinary activities before taxation is stated after charging | | |
| | Auditors' remuneration | 365 | - |
| | | <u>365</u> | <u>-</u> |

| | | | |
|---|---|-----------|-----------|
| 3 | EMPLOYEES | 2006 £ | 2005 £ |
| | The average monthly number of persons employed by the company during the year was | | |
| | Directors | 3 | 3 |
| | | <u>3</u> | <u>3</u> |

No remuneration was paid to the directors during the year ended 31 December 2006 (2005 £Nil)

Longmoor Land Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

| 4 | TAXATION | 2006 £ | 2005 £ |
|---|---|-----------|-----------|
| | Current tax | | |
| | UK corporation tax on profit for the year | - | 8,500 |
| | Adjustment in respect of prior years | (359) | - |
| | | <hr/> | <hr/> |
| | Total current tax for the year | (359) | 8,500 |
| | Deferred tax | | |
| | Tax losses carried forward | - | 25,750 |
| | | <hr/> | <hr/> |
| | Current tax charge for the year | (359) | 34,250 |
| | | <hr/> | <hr/> |
| | Factors affecting tax charge for the year | | |
| | The tax assessed for the year differs to the standard rate of corporation tax in the UK of 30%. The differences are explained below | | |
| | (Loss)/profit on ordinary activities before tax | (7,301) | 152,324 |
| | | <hr/> | <hr/> |
| | Profit on ordinary activities multiplied by the standard rate of corporation tax of 19% (2005 30%) | (1,387) | 45,697 |
| | Effects of | | |
| | Group relief | 1,387 | - |
| | Marginal relief | - | (4,714) |
| | Tax losses received from group companies | - | (7,090) |
| | Utilisation of tax losses brought forward | - | (25,750) |
| | Losses carried forward | - | - |
| | Other | - | 357 |
| | Adjustment in respect of prior years | (359) | - |
| | | <hr/> | <hr/> |
| | Current tax charge for the year | (359) | 8,500 |
| | | <hr/> | <hr/> |

5 FIXED ASSET INVESTMENTS

*Share in
Subsidiary
undertaking
£*

Cost and net book value

At 1 January 2006 and 31 December 2006

1

The company holds 100% of the issued ordinary share capital of Longmoor Land (Bristol) Limited, a company incorporated in England and whose principal activity is that of the development of property for resale. At 31 December 2006, the net liabilities of Longmoor Land (Bristol) Limited were £95,307 (2005 £70,583) and its loss after taxation for the year ended 31 December 2006 was £24,724 (2005 £(13,149)).

Longmoor Land Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

| | | | |
|---|---|-------------------|-------------------|
| 6 | STOCKS | 2006 £ | 2005 £ |
| | Interest in property | 533 | 533 |
| | | <u> </u> | <u> </u> |
| 7 | DEBTORS | 2004 £ | 2005 £ |
| | Amount due from ultimate parent undertaking | 72,792 | - |
| | Amount due from subsidiary undertaking | 114,201 | 99,885 |
| | Other debtors | 395 | 2,878 |
| | | <u> </u> | <u> </u> |
| | | 187,388 | 102,763 |
| | | <u> </u> | <u> </u> |
| 8 | CREDITORS Amounts falling due within one year | 2006 £ | 2005 £ |
| | Amount due to ultimate parent undertaking | 10,000 | 15,776 |
| | Trade creditors | 5,151 | 9,239 |
| | Other taxation and social security | - | 17,875 |
| | Corporation tax | - | 8,500 |
| | | <u> </u> | <u> </u> |
| | | 15,151 | 51,390 |
| | | <u> </u> | <u> </u> |
| 9 | SHARE CAPITAL | 2006 £ | 2005 £ |
| | Authorised 100 ordinary shares of £1 each | 100 | 100 |
| | | <u> </u> | <u> </u> |
| | Allotted, issued and fully paid 100 ordinary shares of £1 each | 100 | 100 |
| | | <u> </u> | <u> </u> |

Longmoor Land Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

| | | |
|----|-----------------------------|------------------------------------|
| 10 | RESERVES | Profit and loss account £ |
| | Balance at 1 January 2006 | 181,900 |
| | Loss for the year | (6,942) |
| | | <hr/> |
| | Balance at 31 December 2006 | 174,958 |
| | | <hr/> |

| | | | |
|----|---|-----------|-----------|
| 11 | RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS | 2006 £ | 2005 £ |
| | (Loss)/profit for the financial year | (6,942) | 118,074 |
| | Opening shareholders' funds | 182,000 | 63,926 |
| | | <hr/> | <hr/> |
| | Closing shareholders' funds | 1175,058 | 182,000 |
| | | <hr/> | <hr/> |

12 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is The Newcombe Estates Company Limited, a company registered in England

The company has taken advantage of the exemption under Financial Reporting Standard No 8, "Related Party Transactions", from disclosing transactions with the parent and fellow subsidiary undertakings on the grounds that it is a wholly owned subsidiary and consolidated accounts incorporating the results of this company are publicly available