

BRIAR HILL COURT LIMITED

Report and Financial Statements

Year ended 30 June 2006



BRIAR HILL COURT LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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BRIAR HILL COURT LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H N Moser
S E Kramrisch
G D Beckett
M R Goldberg

SECRETARY

M J Ridley (appointed 5 April 2006)
G D Beckett (resigned 5 April 2006)

REGISTERED OFFICE

Bracken House
Charles Street
Manchester
M1 7BD

PRINCIPAL BANKERS

Bank of Scotland Corporate Banking
9th Floor
No 1 Marsden Street
Manchester
M2 1HW

AUDITORS

Deloitte & Touche LLP
Manchester

BRIAR HILL COURT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2006

PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS

The principal activity of the company continues to be the development and rental of residential flats

The directors are satisfied with the performance of the company and look forward to the future with confidence

The company qualifies as small in accordance with the provisions of S246(4) of the Companies Act 1985 and is therefore exempt from the requirement to present an enhanced business review

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 30 June 2006 are set out on pages 5 to 12 The profit for the year after tax was £212,788 (2005 - £154,380)

The directors do not recommend the payment of a dividend (2005 - £nil)

DIRECTORS AND THEIR INTERESTS

The directors of the company are set out on page 1 All directors served throughout the year

Mr H N Moser is a director of Jerrold Holdings Ltd, the ultimate parent company, and his interests in the share capital of that company are disclosed in its financial statements None of the other directors have interests in the share capital of the company, or any other interests required to be disclosed under Schedule 7 of the Companies Act 1985 No director has, or had, any material interest in any contract or agreement entered into by the company during the year

AUDIT INFORMATION

In the case of each of the persons who are directors of the company at the date when this report is approved

- as far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any audit information (as defined) and to establish that the company's auditors are aware of that information

This statement 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 auditors will be proposed at the forthcoming Annual General Meeting

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



M J Ridley
Secretary

26 APRIL 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report including the financial statements with applicable law and regulations. Under that law the directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP")

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 subject to any material departures disclosed and explained in the financial statements, 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 establishing and maintaining the system of internal control, 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 BRIAR HILL COURT LIMITED

We have audited the financial statements of Briar Hill Court Limited for the year ended 30 June 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 18. 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 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 contained in the annual 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 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 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.

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 30 June 2006 and of the 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

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester

27 APRIL 2007

BRIAR HILL COURT LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2006

| | Note | 2006 £ | 2005 £ |
|--|------|-----------------------|-----------------------|
| TURNOVER | 2 | 480,191 | 431,811 |
| Administrative expenses | | <u>(197,249)</u> | <u>(207,478)</u> |
| OPERATING PROFIT | | 282,942 | 224,333 |
| Finance charges (net) | 5 | <u>21,044</u> | <u>(3,790)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 4 | 303,986 | 220,543 |
| Tax on profit on ordinary activities | 6 | <u>(91,198)</u> | <u>(66,163)</u> |
| RETAINED PROFIT FOR THE FINANCIAL YEAR | 13 | <u><u>212,788</u></u> | <u><u>154,380</u></u> |

All activity has arisen from continuing operations

BRIAR HILL COURT LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 30 June 2006

| | Note | 2006 £ | 2005 £ |
|--|-------------|-------------------|-------------------|
| Profit for the financial year | | 212,788 | 154,380 |
| Unrealised surplus on revaluation of investment properties | 7 | 750,000 | - |
| Total recognised gains and losses for the year | | <u>962,788</u> | <u>154,380</u> |

BRIAR HILL COURT LIMITED

BALANCE SHEET 30 June 2006

| | Note | 2006 £ | 2005 £ |
|---|------|------------------|--------------------|
| FIXED ASSETS | | | |
| Investment properties | 7 | 2,750,000 | 2,000,000 |
| Other tangible fixed assets | 8 | 1,148 | 2,331 |
| | | <u>2,751,148</u> | <u>2,002,331</u> |
| CURRENT ASSETS | | | |
| Debtors | | | |
| - due within one year | 9 | 492,689 | 1,372,046 |
| - due after one year | 9 | 523 | 457 |
| Cash at bank and in hand | | 16,940 | 370,685 |
| | | <u>510,152</u> | <u>1,743,188</u> |
| CREDITORS: Amounts falling due within one year | 10 | <u>(153,756)</u> | <u>(1,600,763)</u> |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>356,396</u> | <u>142,425</u> |
| NET ASSETS | | <u>3,107,544</u> | <u>2,144,756</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 2 | 2 |
| Revaluation reserve | 13 | 1,734,446 | 984,446 |
| Profit and loss account | 13 | 1,373,096 | 1,160,308 |
| EQUITY SHAREHOLDER'S FUNDS | 14 | <u>3,107,544</u> | <u>2,144,756</u> |

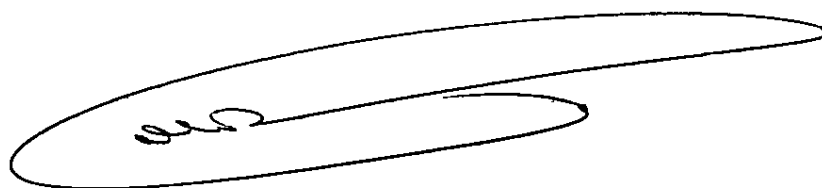
These financial statements were approved by the Board of Directors on 26 APRIL 2007

Signed on behalf of the Board of Directors

G D Beckett
Director



M R Goldberg
Director



NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the current year and the prior year.

Accounting convention

The financial statements have been prepared in accordance with the historical cost convention, modified by the revaluation of investment properties.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average 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 that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rate used is:

| | |
|---------------------|-------------|
| Plant and equipment | 20% on cost |
|---------------------|-------------|

Turnover

Turnover is derived wholly in the UK and represents rental income relating to the financial year excluding VAT. Income is recognised on an accruals basis.

Investment property

A valuation of investment properties is made annually at the balance sheet date by the directors, at open market value. A valuation is conducted by external chartered surveyors on a periodic basis. Changes in the market value of investment properties are accounted for by way of a movement in revaluation reserve and are included in the statement of total recognised gains and losses unless a deficit (or its reversal) on an individual investment property is expected by the directors to be permanent, in which case the change in market value is charged (credited) to the profit and loss account. On disposal, the cumulative revaluation surpluses or deficits are transferred from the revaluation reserve to the profit and loss account.

BRIAR HILL COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2006

1 ACCOUNTING POLICIES (continued)

Investment property (continued)

In accordance with SSAP19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view. If this departure from the Act had not been made, the profit for the financial year would have been decreased by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of the cost/value between land and buildings.

2. TURNOVER

Turnover is wholly-derived from within the UK and relates to the principal activity of the company.

3. STAFF COSTS

The company had no employees and paid no directors' emoluments during either year.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 2006 £ | 2005 £ |
|--|-----------|-----------|
| Profit on ordinary activities before taxation is stated after charging Depreciation on owned assets | 1,183 | 1,186 |

In both years the audit fee was borne by another group undertaking.

5. FINANCE CHARGES (NET)

| | 2006 £ | 2005 £ |
|------------------|-----------|-----------|
| Other interest | - | 344 |
| Intragroup loans | 21,044 | (4,134) |
| | 21,044 | (3,790) |

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

| | 2006 £ | 2005 £ |
|--|-----------|-----------|
| Current tax | | |
| UK corporation tax | 91,264 | 66,133 |
| Deferred tax | | |
| Origination and reversal of timing differences (see note 11) | (66) | 30 |
| Total tax on profit on ordinary activities | 91,198 | 66,163 |

BRIAR HILL COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

| | 2006 £ | 2005 £ |
|---|-----------|-----------|
| Profit on ordinary activities before tax | 303,986 | 220,543 |
| Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2005 - 30%) | 91,195 | 66,163 |
| Effects of Capital allowances in excess of depreciation | 3 | (30) |
| Other | 66 | - |
| Current tax charge for year | 91,264 | 66,133 |

There is no unprovided deferred tax at the year end (2005 - £Nil)

7. INVESTMENT PROPERTIES

| | Long leasehold property £ |
|------------------|------------------------------------|
| Valuation | |
| At 1 July 2005 | 2,000,000 |
| Revaluation | 750,000 |
| At 30 June 2006 | 2,750,000 |

The investment property was valued on an open market basis by Roger Hannah & Co, an external valuer and a member of the Royal Institute of Chartered Surveyors, as at 30 June 2006. Had the property not been revalued, it would be included in the financial statements at £1,015,554 (2005 - £1,015,554)

8. OTHER TANGIBLE FIXED ASSETS

| | Plant and equipment £ |
|---------------------------------|-----------------------------|
| Cost | |
| At 1 July 2005 and 30 June 2006 | 105,659 |
| Depreciation | |
| At 1 July 2005 | 103,328 |
| Charge for the year | 1,183 |
| At 30 June 2006 | 104,511 |
| Net book value | |
| At 30 June 2006 | 1,148 |
| At 30 June 2005 | 2,331 |

BRIAR HILL COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2006

9. DEBTORS

| | 2006 £ | 2005 £ |
|--|----------------|------------------|
| Amounts falling due within one year | | |
| Amounts owed by fellow group undertakings | 483,326 | 1,363,087 |
| Prepayments and accrued income | 9,363 | 8,959 |
| | <u>492,689</u> | <u>1,372,046</u> |
| Amounts falling due after more than one year | | |
| Deferred taxation (see note 11) | 523 | 457 |
| | <u>493,212</u> | <u>1,372,503</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2006 £ | 2005 £ |
|------------------------------------|----------------|------------------|
| Amounts owed to group undertakings | - | 1,482,499 |
| Corporation tax | 91,261 | 66,133 |
| Accruals and deferred income | 62,495 | 52,131 |
| | <u>153,756</u> | <u>1,600,763</u> |

11. DEFERRED TAXATION

| | £ |
|-----------------------------------|------------|
| Balance at 1 July 2005 | 457 |
| Charge to profit and loss account | 66 |
| Balance at 30 June 2006 | <u>523</u> |

The amounts provided in the financial statements comprising a full provision are as follows

| | 2006 £ | 2005 £ |
|---|------------|------------|
| Depreciation in advance of capital allowances | <u>523</u> | <u>457</u> |

The directors believe that future profitability will be sufficient to ensure the recoverability of the deferred taxation asset

12. CALLED UP SHARE CAPITAL

| | 2006 £ | 2005 £ |
|------------------------------------|--------------|--------------|
| Authorised | | |
| 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Called up, allotted and fully paid | | |
| 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> |

BRIAR HILL COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

13. RESERVES

| | Investment property revaluation reserve £ | Profit and loss account £ | Total £ |
|--|---|------------------------------------|------------------|
| At 1 July 2005 | 984,446 | 1,160,308 | 2,144,754 |
| Retained profit for the financial year | - | 212,788 | 212,788 |
| Revaluation Surplus | 750,000 | - | 750,000 |
| At 30 June 2006 | <u>1,734,446</u> | <u>1,373,096</u> | <u>3,107,542</u> |

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

| | 2006 £ | 2005 £ |
|---|------------------|------------------|
| Profit for the financial year | 212,788 | 154,380 |
| Other recognised gains relating to the year | 750,000 | - |
| Net addition to equity shareholder's funds | <u>962,788</u> | <u>154,380</u> |
| Opening equity shareholder's funds | 2,144,756 | 1,990,376 |
| Closing equity shareholder's funds | <u>3,107,544</u> | <u>2,144,756</u> |

15. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of £481 million of bank borrowings of the group (2005 - £313 million)

16. CASH FLOW STATEMENT

As permitted by FRS 1 (Revised 1996) "Cash flow statements", the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Jerrold Holdings Ltd which has produced consolidated financial statements that are publicly available

17. RELATED PARTY TRANSACTIONS

As a subsidiary undertaking of Jerrold Holdings Ltd, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with other members of the group headed by Jerrold Holdings Ltd

18. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Jerrold Holdings Ltd, a company incorporated in Great Britain and registered in England and Wales

The largest and smallest group of which Briar Hill Court Limited is a member, and for which group financial statements are drawn up, is that headed by Jerrold Holdings Ltd, whose principal place of business is at Bracken House, Charles Street, Manchester, M1 7BD