

Reedbest Properties Limited

**Directors' report and financial
statements**

**Registered number 2852119
For the year ended 28 February 2006**

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Company information

Directors

DP Laurie
DA Stirling

Secretary and registered office

DA Stirling
9-10 Grafton Street
London
W1S 4EN

Company number

2852119

Auditors

KPMG Audit Plc
2 Cornwall Street
Birmingham
B3 2DL

Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 February 2006.

Principal activities

During the year, the company held investments in Brightview Group Limited.

Results and dividends

The profit and loss account set out on page 6 shows the loss for the year.

Directors and directors' interests

The directors who served during the year and their shareholding were as follows:

	Number of shares	
	2006	2005
DP Laurie	-	-
DA Stirling	-	-

No director had any beneficial interest in the share capital of the company. The interests of the directors in the share capital of the ultimate controlling company, Invox plc, are as follows:

	Ordinary shares of 50p each	
	2006	2005
David Stirling	24,599	24,599

DP Laurie is a director of the ultimate holding company, Invox plc, and his interest in the share capital of that company is shown in the financial statements of that company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company, is to be proposed at the forthcoming annual general meeting.

On behalf of the board


DP Laurie
Director

9-10 Grafton Street
London
W1S 4EN

27 November 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.



KPMG Audit Plc
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Reedbest Properties Limited

We have audited the financial statements of Reedbest Properties Limited for the year ended 28 February 2006 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.

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

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK 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 Directors' 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.

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 members of Reedbest Properties Limited
(continued)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2006 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Wendy Ashby

KPMG Audit Plc
Chartered Accountants
Registered Auditor

27 November 2006

Profit and loss account
for the year ended 28 February 2006

	<i>Note</i>	2006 £	2005 £
Administrative expenses (2005: including impairment of investment of £815,003)		-	(815,167)
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation and retained for the year	5	-	(815,167)
		<hr/>	<hr/>

All recognised gains and losses are included in the profit and loss account.

Movements in reserves are shown in note 5.

Balance sheet
at 28 February 2006

	<i>Note</i>	2006		2005	
		£	£	£	£
Investments	2	-	-	-	-
Creditors: Amounts falling due within one year	3	699,227	699,227	699,227	699,227
Net current liabilities		(699,227)	(699,227)	(699,227)	(699,227)
Total assets less current liabilities/total liabilities		(699,227)	(699,227)	(699,227)	(699,227)
Capital and reserves					
Called up share capital	4	600	600	600	600
Capital redemption reserve		119,400	119,400	119,400	119,400
Profit and loss account		(819,227)	(819,227)	(819,227)	(819,227)
Shareholders' deficit		(699,227)	(699,227)	(699,227)	(699,227)

These financial statements were approved by the board of directors on 27 November 2006 and were signed on its behalf by:


DP Laurie
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable Accounting Standards.

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £699,227. The parent company Invox plc has indicated that it will provide sufficient funding to enable the company to meet its liabilities as they fall due, for at least the next twelve months.

The directors are satisfied that this is appropriate in view of the new arrangement which Invox plc has negotiated with its bank and a placing of new shares, which will help reduce the group's indebtedness.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking included the company in its own published consolidated financial statements.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

2 Investments

	£
<i>Cost</i>	
At beginning and end of year	-

The company owns 88,577 (58.5%) of the 151,498 issued ordinary shares of Brightview Group Limited, a company incorporated in England.

3 Creditors: Amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	699,227	699,227

Amounts owed to group undertakings do not bear interest and have no fixed repayment terms.

Notes (continued)

4 Share capital

	2006 £	2005 £
<i>Authorised:</i>		
250,000 ordinary shares of £1 each	250,000	250,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
600 ordinary shares of £1 each	600	600
	<hr/>	<hr/>

5 Profit and loss account

	2006 £	2005 £
Loss brought forward	(819,227)	(4,060)
Loss for the year	-	(815,167)
	<hr/>	<hr/>
Loss carried forward	(819,227)	(819,227)
	<hr/>	<hr/>

6 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Invox plc on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in those consolidated financial statements.

7 Ultimate controlling party

The ultimate controlling company is Invox plc, a company registered in England and Wales. Copies of the financial statements of Invox plc may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.