

Company Registration Number 2925642

Whitetree Group Limited

Financial Statements

31 March 2007

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COMPANIES HOUSE

CLB COOPERS

Chartered Accountants & Registered Auditors

Century House

11 St Peters Square

Manchester

M2 3DN

WHITETREE GROUP LIMITED

Financial Statements

Year ended 31 March 2007

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WHITETREE GROUP LIMITED

Officers and Professional Advisers

The Board of Directors

Sir Hugh Sykes
Lady Sykes

Company Secretary

B W Evans

Registered Office

The Coach House
Brookfield Manor
Hathersage
Hope Valley
S32 1BR

Auditor

CLB Coopers
Chartered Accountants
& Registered Auditors
Century House
11 St Peters Square
Manchester
M2 3DN

Bankers

Barclays Bank Plc
Commercial Street
Sheffield
S1 1NG

WHITETREE GROUP LIMITED

The Directors' Report

Year ended 31 March 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2007

Principal activities

The principal activity of the company during the year was the commercial rental and development of property

Directors

The directors who served the company during the year were as follows

Sir Hugh Sykes

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

Lady Sykes was appointed as a director on 1 April 2007

Directors' responsibilities

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 these 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 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 the financial statements comply with 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint CLB Coopers as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

WHITETREE GROUP LIMITED

The Directors' Report *(continued)*

Year ended 31 March 2007

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
The Coach House
Brookfield Manor
Hathersage
Hope Valley
S32 1BR

Signed by order of the directors



B W Evans
Company Secretary

Approved by the directors on 16 AUGUST 2007

WHITETREE GROUP LIMITED

Independent Auditor's Report to the Shareholders

Year ended 31 March 2007

We have audited the financial statements of Whitetree Group Limited for the year ended 31 March 2007 on pages 6 to 12, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 9

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 auditor

The directors' responsibilities for preparing 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.

WHITETREE GROUP LIMITED

Independent Auditor's Report to the Shareholders *(continued)*

Year ended 31 March 2007

Opinion

In our opinion

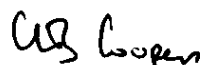
the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,

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

Century House
11 St Peters Square
Manchester
M2 3DN

16 August 2007



CLB COOPERS
Chartered Accountants
& Registered Auditors

WHITETREE GROUP LIMITED

Profit and Loss Account

Year ended 31 March 2007

| | Note | 2007 £ | 2006 £ |
|---|------|---------------|---------------|
| Rental income | | 80,330 | 76,208 |
| Administrative expenses | | (20,533) | (11,934) |
| Operating profit | 2 | 59,797 | 64,274 |
| Interest receivable | | 3,798 | 34,555 |
| Profit on ordinary activities before taxation | | 63,595 | 98,829 |
| Tax on profit on ordinary activities | 3 | (12,069) | (23,001) |
| Profit for the financial year | | <u>51,526</u> | <u>75,828</u> |

The notes on pages 9 to 12 form part of these financial statements.

WHITETREE GROUP LIMITED

Statement of Total Recognised Gains and Losses

Year ended 31 March 2007

| | 2007 | 2006 |
|--|----------------------|-----------------------|
| | £ | £ |
| Profit for the financial year attributable to the shareholders | 51,526 | 75,828 |
| Unrealised profit on revaluation of certain fixed assets | — | 75,000 |
| Total gains and losses recognised since the last annual report | <u>51,526</u> | <u>150,828</u> |

The notes on pages 9 to 12 form part of these financial statements.

WHITETREE GROUP LIMITED

Balance Sheet

31 March 2007

| | Note | 2007 £ | 2006 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 5 | <u>1,000,000</u> | <u>1,000,000</u> |
| Current assets | | | |
| Debtors | 6 | 35,695 | 22,180 |
| Cash at bank | | <u>128,049</u> | <u>90,197</u> |
| | | 163,744 | 112,377 |
| Creditors: Amounts falling due within one year | 7 | <u>(47,621)</u> | <u>(47,780)</u> |
| Net current assets | | <u>116,123</u> | <u>64,597</u> |
| Total assets less current liabilities | | <u>1,116,123</u> | <u>1,064,597</u> |
| Capital and reserves | | | |
| Called-up equity share capital | 9 | 88,752 | 88,752 |
| Share premium account | 10 | 266,250 | 266,250 |
| Revaluation reserve | | 503,492 | 503,492 |
| Profit and loss account | 11 | <u>257,629</u> | <u>206,103</u> |
| Shareholders' funds | | <u>1,116,123</u> | <u>1,064,597</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on the 16 AUGUST 2007 and are signed on their behalf by


Sir Hugh Sykes

The notes on pages 9 to 12 form part of these financial statements.

WHITETREE GROUP LIMITED

Notes to the Financial Statements

Year ended 31 March 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Rental income

Rental income represents the income attributable to the period received from investment properties and is stated net of VAT

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings - 10% - 25%

Freehold investment properties are not depreciated

Investment properties

Investment properties, as defined in Statement of Standard Accounting Practice No 19, are revalued annually. The aggregate surplus or deficit is transferred to the investment property revaluation reserve and any deficit exceeding the existing reserve is charged directly to the profit and loss account in the year.

The requirement of the Companies Act 1985 is to depreciate all properties but that requirement conflicts with the generally accepted principle set out in SSAP 19. 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 SSAP 19 in order to give a true and fair view.

Deferred taxation

Deferred taxation has been calculated on the full provision method as required by FRS 19. Deferred taxation is provided on timing differences which have originated but not reversed at the balance sheet date, at the rates of tax likely to be in force at the time of the reversal. Timing differences arise due to including gains and losses in tax assessments in periods different from the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

WHITETREE GROUP LIMITED

Notes to the Financial Statements

Year ended 31 March 2007

2. Operating profit

Operating profit is stated after charging

| | 2007 £ | 2006 £ |
|------------------------------------|--------------|--------------|
| Depreciation of owned fixed assets | — | 64 |
| Auditor's fees | <u>3,000</u> | <u>3,000</u> |

3. Taxation on ordinary activities

(a) Analysis of charge in the year

| | 2007 £ | 2006 £ |
|---|---------------|---------------|
| Current tax | | |
| UK Corporation tax based on the results for the year at 19% (2006 - 30%) | <u>12,069</u> | <u>23,001</u> |
| Total current tax | <u>12,069</u> | <u>23,001</u> |

The amount of deferred taxation unprovided on revalued assets amounts to approximately £75,000 at 31 March 2007 (2006 - £75,000)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2006 - 30%)

| | 2007 £ | 2006 £ |
|--|---------------|---------------|
| Profit on ordinary activities before taxation | <u>63,595</u> | <u>98,829</u> |
| Current tax on profit on ordinary activities at standard rate of corporation tax | 12,083 | 29,649 |
| Expenses not deductible for tax purposes | - | 867 |
| Accelerated capital allowances | (14) | - |
| Marginal rate relief | - | (7,515) |
| Total current tax (note 3(a)) | <u>12,069</u> | <u>23,001</u> |

4. Dividends

Equity dividends

| | 2007 £ | 2006 £ |
|-------------------------------------|-----------|------------------|
| Paid | | |
| Equity dividends on ordinary shares | <u>-</u> | <u>1,035,205</u> |

WHITETREE GROUP LIMITED

Notes to the Financial Statements

Year ended 31 March 2007

5. Tangible fixed assets

| | Freehold Property £ | Fixtures & Fittings £ | Total £ |
|-----------------------------------|---------------------------|-----------------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2006 and 31 March 2007 | <u>1,000,000</u> | <u>2,438</u> | <u>1,002,438</u> |
| Depreciation | | | |
| At 1 April 2006 and 31 March 2007 | <u>—</u> | <u>(2,438)</u> | <u>(2,438)</u> |
| Net book value | | | |
| At 31 March 2007 | <u>1,000,000</u> | <u>—</u> | <u>1,000,000</u> |
| At 31 March 2006 | <u>1,000,000</u> | <u>—</u> | <u>1,000,000</u> |

The directors have taken advice on the valuation of the freehold properties and, on the basis of this advice, have revalued them as at 31 March 2006 at £1,000,000. In the directors' opinion, the value of the freehold land is not materially different to the current valuation hence no adjustment has been made in the current year.

6. Debtors

| | 2007 £ | 2006 £ |
|------------------------------------|---------------|---------------|
| Trade debtors | 26,604 | 22,178 |
| Amounts owed by group undertakings | 9,089 | — |
| Other debtors | 2 | 2 |
| | <u>35,695</u> | <u>22,180</u> |

Amounts owed by group undertakings are receivable in more than one year.

7. Creditors: Amounts falling due within one year

| | 2007 £ | 2006 £ |
|------------------------------|---------------|---------------|
| Trade creditors | — | 2,277 |
| Corporation tax | 12,069 | 23,001 |
| VAT | 2,926 | 2,440 |
| Accruals and deferred income | <u>32,626</u> | <u>20,062</u> |
| | <u>47,621</u> | <u>47,780</u> |

8. Related party transactions

During the year, the company was charged management charges amounting to £15,229 (2006 £4,565) from BHH (Brookfield) Limited, a company related by common directorship. At the year end, £nil of this balance was outstanding (2006 £573).

The company has taken advantage of exemption 3(c) of Financial Reporting Standard No. 8 and has not disclosed related party transactions with group companies.

WHITETREE GROUP LIMITED

Notes to the Financial Statements

Year ended 31 March 2007

9. Share capital

Authorised share capital:

| | 2007 | 2006 |
|--|---------------|---------------|
| | £ | £ |
| 177,504 'A' Ordinary Shares shares of £0 25 each | 44,376 | 44,376 |
| 177,504 'B' Ordinary Shares shares of £0 25 each | 44,376 | 44,376 |
| | <u>88,752</u> | <u>88,752</u> |

Allotted, called up and fully paid:

| | 2007 | | 2006 | |
|--|----------------|---------------|----------------|---------------|
| | No | £ | No | £ |
| 'A' Ordinary Shares shares of £0 25 each | 177,504 | 44,376 | 177,504 | 44,376 |
| 'B' Ordinary Shares shares of £0 25 each | 177,504 | 44,376 | 177,504 | 44,376 |
| | <u>355,008</u> | <u>88,752</u> | <u>355,008</u> | <u>88,752</u> |

10. Share premium account

There was no movement on the share premium account during the financial year

11. Profit and loss account

| | 2007 | 2006 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Balance brought forward | 206,103 | 1,165,480 |
| Profit for the financial year | 51,526 | 75,828 |
| Equity dividends paid | — | (1,035,205) |
| Balance carried forward | <u>257,629</u> | <u>206,103</u> |

12. Ultimate parent company

Since 9 December 2005, the ultimate holding company is Whitetree Holdings Limited, a company incorporated in England and Wales. Whitetree Holdings Limited is controlled by Sir Hugh Sykes