

FARLEY SERVICES LIMITED

**Financial statements
30 September 2005**



FARLEY SERVICES LIMITED

Financial statements for the year ended 30 September 2005

Contents	Page
Directors' report	1-2
Independent Auditors' report	3-4
Profit and loss account	5
Balance Sheet	6
Notes to the financial statements	7-9

FARLEY SERVICES LIMITED

Directors, officers and advisers

Directors

P M Farley
T M James
S A R Wharmby

Secretary

P M Farley

Registered Office

Russell Square House
10-12 Russell Square
London
WC1B 5LF

Registered number

2935197

Auditors

Chantrey Vellacott DFK LLP
Chartered Accountants
Russell Square House
10-12 Russell Square
London
WC1B 5LF

FARLEY SERVICES LIMITED

Directors' report for the year ended 30 September 2005

The directors present their report and the financial statements for the year ended 30 September 2005.

Principal activity

The principal activity is that of an intermediate holding company.

Dividends

The directors recommend the payment of a dividend of £27.07 per share (2004: £24.77 per share).

Directors

The directors during the year and their beneficial interests in the share capital of the company were as follows:

	0.1p ordinary shares at 30 September 2005	0.1p ordinary shares at 1 October 2004
P M Farley	-	-
T M James	-	-
S A R Wharmby	-	-

The company is a wholly owned subsidiary of Farley Group plc.

The interests of the directors in the share capital of Farley Group plc are disclosed in its accounts.

Directors' responsibilities in respect of the preparation of financial statements

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 and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FARLEY SERVICES LIMITED

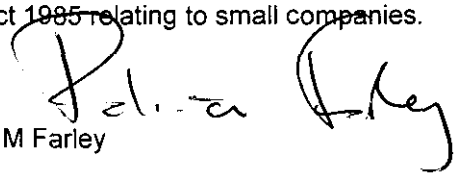
Directors' report for the year ended 30 September 2005

Auditors

The company has taken advantage of the elective resolutions under Sections 252, 366A and 386 of the Companies Act 1985 to dispense with the requirements to hold an Annual General Meeting, to lay accounts before the company in General Meeting and to reappoint auditors annually.

Small company exemptions

The Directors' Report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



P M Farley

Secretary

16 November 2005

FARLEY SERVICES LIMITED

Independent auditors' report to the Shareholders of Farley Services Limited

We have audited the financial statements of Farley Services Limited for the year ended 30 September 2005 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention, the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities (effective June 2005).

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 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

FARLEY SERVICES LIMITED

Independent auditors' report to the members of Farley Services Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT DFK LLP

Chartered Accountants
Registered Auditors
London

16 November 2005

Chantrey Vellacott DFK LLP

FARLEY SERVICES LIMITED

Profit and loss account for the year ended 30 September 2005

	Notes	2005 £	2004 £
Other income			
- Dividends receivable from subsidiary undertakings		250,000	60,000
- Write back of intercompany creditor		-	168,840
		<hr/>	<hr/>
Profit on ordinary activities before tax		250,000	228,840
 Tax charge		 -	 -
		<hr/>	<hr/>
 Dividends payable	 2	 250,000	 228,840
		<hr/>	<hr/>
Retained profit for the year		-	-
		<hr/>	<hr/>

ChantreyVellacottDFKLLP

The notes on pages 7 to 9 form part of these financial statements.

FARLEY SERVICES LIMITED

Balance sheet at 30 September 2005

	Notes	2005 £	2004 £
Tangible fixed assets			
Investments	3	<u>812,997</u>	<u>812,997</u>
Current assets			
Debtors	4	310,008	60,008
Creditors due within one year	5	<u>(478,840)</u>	<u>(228,840)</u>
Net current liabilities		<u>(168,832)</u>	<u>(168,832)</u>
Total assets less current liabilities		644,165	644,165
Creditors due after more than one year		<u>(544,157)</u>	<u>(544,157)</u>
		<u>100,008</u>	<u>100,008</u>
Capital and reserves			
Called up share capital	6	9	9
Share premium account	7	<u>99,999</u>	<u>99,999</u>
Equity shareholders' funds		<u>100,008</u>	<u>100,008</u>

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

T M JAMES

Director

Approved by the Board on 16 November 2005

The notes on pages 7 to 9 form part of these financial statements.

FARLEY SERVICES LIMITED

Notes to the financial statements For the year ended 30 September 2005

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

(b) Group accounts

The company is exempt from preparing and delivering consolidated financial statements because it is wholly owned by its immediate parent company, Farley Group plc.

(c) Investments

Investments are stated at cost with provision being made for any permanent diminution in value.

(d) Cash flow statement

The company is exempt from preparing and delivering consolidated financial statements because it is wholly owned by its immediate parent company, Farley Group plc.

2. Dividends payable	2005 £	2004 £
Dividends proposed	<u>250,000</u>	<u>228,840</u>
3. Investments	2005 £	2004 £
Cost of shares at 1 October 2004	812,997	168,840
Additions during the year	-	644,157
Cost of shares at 30 September 2005	<u>812,997</u>	<u>812,997</u>

The investment represents 100% of the issued share capital of Farley & Co. Limited.

Farley & Co. Limited has two wholly owned subsidiaries: Farley Professional Services Limited and Farley Management Company Limited. All companies are registered and operate in England, and their results, financial position and principal activities are set out below:-

	Principal activity	Capital and reserves at 30 September 2005 £	Retained profit/(loss) for the year ended 30 September 2005 £
Farley & Co. Limited	Estate Agency	524,326	47,657
Farley Professional Services Limited	Surveying	(51,541)	-
Farley Management Company Limited	Property Investment	306,288	8,136

FARLEY SERVICES LIMITED

Notes to the financial statements For the year ended 30 September 2005

4.	Debtors	2005	2004
		£	£
	Other debtors	8	8
	Due from subsidiary undertaking	<u>310,000</u>	<u>60,000</u>
		<u>310,008</u>	<u>60,008</u>
5.	Creditors due within one year	2005	2004
		£	£
	Due to subsidiary undertaking	-	-
	Due to holding company	<u>478,840</u>	<u>228,840</u>
		<u>478,840</u>	<u>228,840</u>
6.	Called up share capital	2005	2004
		£	£
	Authorised		
	1,000,000 ordinary shares of 0.1p each	<u>1,000</u>	<u>1,000</u>
	Allotted, issued:		
	9,237 ordinary shares of 0.1p each	<u>9</u>	<u>9</u>
7.	Share premium account	£	
	At 1 October 2004 and 30 September 2005	<u>99,999</u>	
8.	Ultimate parent undertaking and related party transactions		

The ultimate parent undertaking is Farley Group plc, a company incorporated in England and Wales.

The company has taken advantage of the exemption in FRS8 from disclosing transactions with group undertakings.