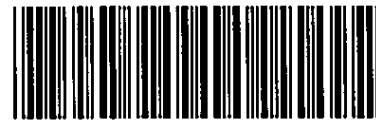


COMPANY REGISTRATION NUMBER 3025675

RUTLAND (CRANLEIGH) LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2006

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RUTLAND (CRANLEIGH) LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 April 2006 to 31 December 2006

PRINCIPAL ACTIVITIES

The principal activity of the company during the nine-month period was property investment

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 31 December 2006	At 1 April 2006
J A McAllister	-	-
P J Farnfield	-	-
S C Sanders	-	-
B I M Turnbull	-	-

At 31 December 2006, Rutland (Cranleigh) Limited was a wholly owned subsidiary of Dunsfold Park Limited. JA McAllister is a director and shareholder of Redcub Properties Limited, a shareholder in Dunsfold Park Limited

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

RUTLAND (CRANLEIGH) LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

- 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

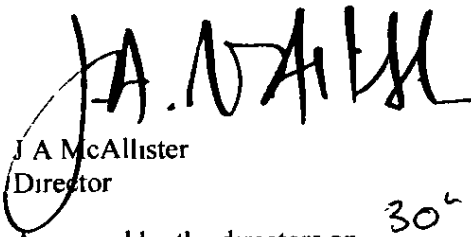
AUDITOR

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

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

Signed on behalf of the directors


J A McAllister
Director

Approved by the directors on 30th October 2007

RUTLAND (CRANLEIGH) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
RUTLAND (CRANLEIGH) LIMITED
PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

We have audited the financial statements of Rutland (Cranleigh) Limited for the period from 1 April 2006 to 31 December 2006 on pages 5 to 12, which have been prepared on the basis of the accounting policies set out on page 8

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.

RUTLAND (CRANLEIGH) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RUTLAND (CRANLEIGH) LIMITED *(continued)*

PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

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 31 December 2006 and of its profit for the period 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



ARNOLD HILL & CO
Chartered Accountants
& Registered Auditors

Craven House
16 Northumberland Avenue
London
WC2N 5AP

Date

31 October 2007

RUTLAND (CRANLEIGH) LIMITED

PROFIT AND LOSS ACCOUNT

NINE MONTH PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

	Note	31 Dec 06 £	Year to 31 Mar 06 £
TURNOVER		570,025	773,211
Administrative expenses		<u>110,891</u>	<u>97,013</u>
OPERATING PROFIT	2	459,134	676,198
Interest receivable		<u>1,368</u>	1,465
Interest payable and similar charges	3	<u>(397,696)</u>	(363,468)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>62,806</u>	314,195
Tax on profit on ordinary activities	4	<u>15,691</u>	85,487
PROFIT FOR THE FINANCIAL PERIOD / YEAR		<u>47,115</u>	<u>228,708</u>

All of the activities of the company are classed as continuing

The notes on pages 8 to 12 form part of these financial statements

RUTLAND (CRANLEIGH) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

NINE MONTH PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

	31 Dec 06	Year to 31 Mar 06
	£	£
Profit for the financial period / year attributable to the shareholders	47,115	228,708
Unrealised profit on revaluation of certain fixed assets	—	1,005,000
Total gains and losses recognised since the last annual report	<u>47,115</u>	<u>1,233,708</u>

The notes on pages 8 to 12 form part of these financial statements

RUTLAND (CRANLEIGH) LIMITED

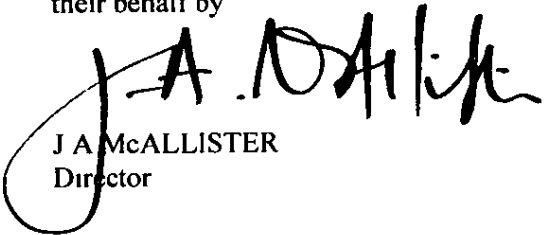
BALANCE SHEET

31 DECEMBER 2006

	Note	31 Dec 06 £	31 Mar 06 £
FIXED ASSETS			
Tangible assets	5	<u>12,228,671</u>	<u>9,550,000</u>
CURRENT ASSETS			
Debtors	6	529,340	429,112
Cash at bank		<u>613,344</u>	<u>182,311</u>
		1,142,684	611,423
CREDITORS: Amounts falling due within one year	7	<u>952,867</u>	<u>440,050</u>
NET CURRENT ASSETS		<u>189,817</u>	<u>171,373</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,418,488</u>	<u>9,721,373</u>
CREDITORS: Amounts falling due after more than one year	8	<u>9,423,000</u>	<u>6,773,000</u>
		<u>2,995,488</u>	<u>2,948,373</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	100	100
Revaluation reserve		2,471,905	2,471,905
Profit and loss account	11	<u>523,483</u>	<u>476,368</u>
SHAREHOLDERS' FUNDS	12	<u>2,995,488</u>	<u>2,948,373</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors on the 30/10/07 and are signed on their behalf by


J A McALLISTER
Director

The notes on pages 8 to 12 form part of these financial statements

RUTLAND (CRANLEIGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

1. ACCOUNTING POLICIES

(a) 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 all applicable accounting standards

(b) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

(c) Turnover

The turnover shown in the profit and loss account represents rentals receivable during the year, exclusive of Value Added Tax. All turnover is derived from activities performed wholly in the United Kingdom

(d) Investment properties

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties, or in respect of leasehold investment properties where the unexpired terms of the lease is more than twenty years. The directors consider that the accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 "Accounting for investment properties"

2. OPERATING PROFIT

Operating profit is stated after charging

	31 Dec 06 £	Year to 31 Mar 06 £
Directors' emoluments	—	—
Auditor's fees	<u>8,000</u>	<u>6,600</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	31 Dec 06 £	31 Mar 06 £
Bank Interest	294,196	329,557
Other interest	<u>103,500</u>	<u>33,911</u>
	<u>397,696</u>	<u>363,468</u>

RUTLAND (CRANLEIGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	31 Dec 06 £	Year to 31 Mar 06 £
Current tax		
UK Corporation tax based on the results for the period at 30% (To 31 Mar 06 - 30%)	16,530	90,896
Over provision in prior year	(839)	(5,409)
Total current tax	<u>15,691</u>	<u>85,487</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (To 31 Mar 06 - 30%)

	31 Dec 06 £	Year to 31 Mar 06 £
Profit on ordinary activities before taxation	<u>62,806</u>	<u>314,195</u>
Profit on ordinary activities by rate of tax	18,842	94,259
Capital allowances in excess of depreciation	(3,363)	(3,363)
Over/under provision in prior year	(839)	(5,409)
Disallowed expenses	1,051	-
Total current tax (note 4(a))	<u>15,691</u>	<u>85,487</u>

5. TANGIBLE FIXED ASSETS

	Investment Property £
COST OR VALUATION	
At 1 April 2006	9,550,000
Additions	<u>2,678,671</u>
At 31 December 2006	<u>12,228,671</u>
NET BOOK VALUE	
At 31 December 2006	<u>12,228,671</u>
At 31 March 2006	<u>9,550,000</u>

RUTLAND (CRANLEIGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

5. TANGIBLE FIXED ASSETS *(continued)*

Other than the investment property acquired in the period, long leasehold investment properties were revalued by Knight Frank LLP in June 2006. The Directors consider this to be an appropriate open market valuation as at 31 December 2006.

6. DEBTORS

	31 Dec 06	31 Mar 06
	£	£
Trade debtors	253,054	114,175
Other debtors	91,231	146,713
Prepayments and accrued income	185,055	168,224
	<u>529,340</u>	<u>429,112</u>

The debtors above include the following amounts falling due after more than one year

	31 Dec 06	31 Mar 06
	£	£
Prepayments and accrued income	<u>130,360</u>	<u>130,137</u>

7. CREDITORS: Amounts falling due within one year

	31 Dec 06	31 Mar 06
	£	£
Trade creditors	39,582	19,799
Amounts owed to group undertakings	340,057	—
Other creditors including taxation		
Corporation tax	16,449	90,896
VAT	32,572	33,992
Other creditors	64,080	26,690
Accruals and deferred income	460,127	268,673
	<u>952,867</u>	<u>440,050</u>

8. CREDITORS: Amounts falling due after more than one year

	31 Dec 06	31 Mar 06
	£	£
Bank loans and overdrafts	7,370,000	4,720,000
Amounts owed to group undertakings	2,053,000	2,053,000
	<u>9,423,000</u>	<u>6,773,000</u>

The bank loan is secured by a fixed charge over the investment properties, and a floating charge over the current assets. The bank also has legal assignment to all rental income. The bank loan facility was renewed on 5 July 2006 and has a final repayment date of 7 April 2008.

RUTLAND (CRANLEIGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

9. RELATED PARTY TRANSACTIONS

At the period end Rutland (Cranleigh) Limited had received loans to a total of £2,303,000 (31 March 2006. £2,053,000) from the parent company Dunsfold Park Limited Interest payable of £103,500 relating to the above loan was charged during the period (year ending 31 March 2006 £33,911)

10. SHARE CAPITAL

Authorised share capital:

	31 Dec 06	31 Mar 06
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	31 Dec 06		31 Mar 06	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11. PROFIT AND LOSS ACCOUNT

	31 Dec 06	Year to 31 Mar 06
	£	£
Balance brought forward	476,368	247,660
Profit for the financial period / year	<u>47,115</u>	<u>228,708</u>
Balance carried forward	<u>523,483</u>	<u>476,368</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Dec 06	31 Mar 06
	£	£
Profit for the financial period / year	47,115	228,708
Other net recognised gains and losses	—	1,005,000
Net addition to shareholders' funds	<u>47,115</u>	<u>1,233,708</u>
Opening shareholders' funds	<u>2,948,373</u>	<u>1,714,665</u>
Closing shareholders' funds	<u>2,995,488</u>	<u>2,948,373</u>

RUTLAND (CRANLEIGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2006 TO 31 DECEMBER 2006

13. PARENT COMPANIES

Rutland (Cranleigh) Limited is a wholly owned subsidiary of Dunsfold Park Limited, a company incorporated in Great Britain. Dunsfold Park Limited is a joint venture and is jointly controlled by KUC Properties Limited, incorporated in Great Britain and registered in Scotland, and Redcub Properties Limited, incorporated and registered in Great Britain.

The ultimate controlling party and parent of the largest group into which KUC Properties Limited is consolidated is the Royal Bank of Scotland Group Plc, which is incorporated in Great Britain and registered in Scotland. Financial statements for the Royal Bank of Scotland Group Plc can be obtained from The Royal Bank of Scotland Group Plc, Gogarburn, Edinburgh, EH12 1HQT.

The smallest subgroup into which KUC Properties Limited is consolidated has as its parent company, the Royal Bank of Scotland Plc, a company incorporated in Great Britain and registered in Scotland. Financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group Plc, Gogarburn, Edinburgh, EH12 1HQT.

Regarding the second shareholder of Dunsfold Park Limited, Redcub Properties Limited is the immediate and ultimate parent.