

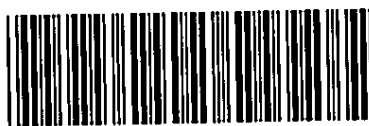
Arable F Limited

Directors' report and financial statements

Registered number 3528621

Year ended 30 June 2007

TUESDAY



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Directors' report

The directors present their annual report and audited financial statements for the year ended 30 June 2007

Principal activities and business review

The company did not trade during the year

Results

The result for the year is set out in the profit and loss account on page 5 Retained profit for the year was £330,000 (2006 £67,000 loss) No dividend is proposed

Directors

The directors who held office during the year are shown below

R P Green
A J Taylor

The directors have no disclosable interest in the shares of the company

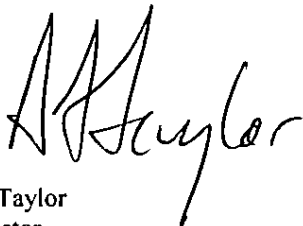
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the Board



A J Taylor
Director

25th April 2008

2 Temple Back East
Temple Quay
Bristol
BS1 6EG

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 LLP

100 Temple Street
Bristol
BS1 6AG
United Kingdom

Independent auditors' report to the members of Arable F Limited

We have audited the financial statements of Arable F Limited for the year ended 30 June 2007 which comprises 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 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 Arable F 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 30 June 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

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

28 April

2008

Profit and loss account
for the year ended 30 June 2007

	<i>Note</i>	2007 £000	2006 £000
Operating profit/(loss)		371	(67)
Non operating items			
Provision for loss on sale of business		(46)	-
Profit/(loss) on ordinary activities before interest	2	325	(67)
Interest receivable and similar income		5	-
Profit/(loss) on ordinary activities before and after taxation, retained for the year	10	330	(67)

All amounts relate to the operation of activities in the year. There were no other recognised gains and losses in the year other than the profit stated above.

Balance sheet
at 30 June 2007

	<i>Note</i>	2007		2006	
		£000	£000	£000	£000
Fixed assets					
Investments	5		-		-
Current assets					
Debtors	6	185		321	
Cash at bank and in hand		263		-	
		<u>448</u>		<u>321</u>	
Creditors amounts falling due within one year	7	(70)		(235)	
		<u></u>		<u></u>	
Net current assets			378		86
			<u>378</u>		<u>86</u>
Total assets less current liabilities			378		86
Provisions for liabilities and charges	8		(46)		(84)
			<u></u>		<u></u>
Net assets			332		2
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	9		1,126		1 126
Profit and loss account	10		(794)		(1 124)
			<u></u>		<u></u>
Shareholders' funds	11		332		2
			<u></u>		<u></u>

The notes on pages 7 to 11 form part of these accounts

These financial statements were approved by the board of directors on 25th April 2008 and were signed on its behalf by

R P Green
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 financial statements

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

They have been prepared on the basis that the company is not a going concern. The company ceased to trade on 3 December 2003 and its activities are being wound down prior to its being liquidated. In the view of the directors, full provision has been made for all liabilities that are likely to be incurred before the Group can be wound up in an orderly manner. The company is exempt by virtue of section 248 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.

In preparing these financial statements the Company has taken advantage of the exemption applicable to small companies under Financial Reporting Standard Number 1 and not included a cash flow statement in these financial statements.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

No assets were held under finance leases in the year. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers when the company acts as principal and commission when the company acts as agent.

Notes (continued)

2 Net operating expenses

	Year ended 30 June 2007 £000	Year ended 30 June 2006 £000
Charges		
Irrecoverable input VAT	(11)	-
Aggregate directors' emoluments	(8)	-
Provision for loss on sale of business	(46)	-
Onerous lease provision	-	(84)
Other operating charges	(65)	(192)
	<hr/>	<hr/>
Total charges	(130)	(276)
	<hr/>	<hr/>
Other income		
Recovery of bad debts	23	64
Release of provision against amount due from a group undertaking	283	28
Release of onerous lease provision	138	-
Other operating income	11	117
	<hr/>	<hr/>
Net operating income	455	209
	<hr/>	<hr/>
Operating profit/(loss)	325	(67)
	<hr/>	<hr/>

3 Profit on ordinary activities before taxation

The following have been charged before arriving at the profit on ordinary activities before taxation

	Year ended 30 June 2007 £000	Year ended 30 June 2006 £000
Auditors' remuneration - audit fees	3	-
	<hr/>	<hr/>

4 Factors affecting the tax charge for the current period

The standard rate of tax for the year, based on the UK rate of corporation tax is 30%

The actual tax charge for the current and the previous year is different from the standard rate for the reasons set out in the following reconciliation

	Year ended 30 June 2007 £000	Year ended 30 June 2006 £000
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	330	(67)
	<hr/>	<hr/>
Current tax at 30% (2006 30%)	(99)	20
Effect of relieved tax (profits)/losses	99	(20)
	<hr/>	<hr/>
Total current tax charge	-	-
	<hr/>	<hr/>

Notes (continued)

5 Investments

	Shares in group undertakings £000	Total £000
At 30 June 2006	-	-
At 30 June 2007	-	-

The principal undertakings in which the company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
Arable A Limited	England	In liquidation	100% ordinary

In the opinion of the directors, the aggregate value of the subsidiary undertakings is not less than the aggregate amount at which those assets are stated in the balance sheet

6 Debtors

	30 June 2007 £000	30 June 2006 £000
Amounts due from group undertakings	184	230
Other debtors	-	61
Prepayments and accrued income	1	30
	<u>185</u>	<u>321</u>

7 Creditors – amounts falling due within one year

	30 June 2007 £000	30 June 2006 £000
Other creditors including taxation and social security	70	235
	<u>70</u>	<u>235</u>

8 Provisions for liabilities and charges

	Sale of business £000	Onerous lease £000	Total £000
At 30 June 2006	-	84	84
Utilised in the year	-	54	54
Provided/(released) in the year	46	(138)	(92)
At 30 June 2007	<u>46</u>	<u>-</u>	<u>46</u>

Notes (continued)

9 Called up share capital

	30 June 2007 £000	30 June 2006 £000
<i>Authorised</i>		
19,081,004 ordinary equity shares of 5 9p each	1,126	1,126
	<hr/>	<hr/>
<i>Allotted, issued and fully paid</i>		
19,081,004 ordinary equity shares of 5 9p each	1,126	1,126
	<hr/>	<hr/>

10 Reserves

	Profit and loss account £000
At 30 June 2006	(1,124)
Profit for the year	330
	<hr/>
At 30 June 2007	(794)
	<hr/>

11 Reconciliation of movement in shareholders' funds

	£000
At 30 June 2006	2
Profit for the year	330
	<hr/>
At 30 June 2007	332
	<hr/>

12 Financial commitments

At 30 June 2007, the company had annual commitments under non-cancellable operating leases expiring

	2007 Land and buildings £000	2006 Land and buildings £000
Within one year	-	120
Between one year and five years	-	-
After five years	-	-
	<hr/>	<hr/>
	-	120
	<hr/>	<hr/>

Future capital commitments contracted for but not provided for amount to nil (2006 nil)

13 Parent company and related party disclosures

The company is a subsidiary undertaking of Arable Holdings Limited which is the ultimate parent company. As Arable Holdings Limited was placed into a Members Voluntary Liquidation on 29 December 2006 no other group financial statements include the results of this company.

At the balance sheet date, the company was owed net balances of £184,521 (£230,000 – 2006) by Arable Holdings Limited, a company of which A J Taylor and R P Green are directors. A J Taylor and R P Green are also directors and shareholders in Arable F Limited.