

REGISTERED NUMBER: 3554954 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006
FOR
NORTH SWINDON DEVELOPMENT COMPANY LIMITED**

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NORTH SWINDON DEVELOPMENT COMPANY LIMITED

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NORTH SWINDON DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2006

DIRECTORS:

R Winstone
G A Male
E O'Keeffe
R K Dodson
D R Woodward
P H Churchouse

SECRETARY:

Forum Secretarial Services Limited

REGISTERED OFFICE:

6 Drakes Meadow
Penny Lane
Swindon
Wiltshire
SN3 3LL

REGISTERED NUMBER:

3554954 (England and Wales)

AUDITORS:

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

NORTH SWINDON DEVELOPMENT COMPANY LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31 December 2006

The directors present their report with the financial statements of the company for the year ended 31 December 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the execution of infrastructure works for the central phase of development of the Haydon Sector in Swindon

DIRECTORS

The directors during the year under review were:

R Winstone	- appointed 29.6.06
G A Male	- appointed 30.3.06
J Schofield	- appointed 31.1.06
	- resigned 29.6.06
D H Thompson	- resigned 31.1.06
E O'Keeffe	
R K Dodson	
D R Woodward	
N C Beckett	- resigned 30.3.06
P H Churchouse	- appointed 1.1.06

The directors holding office at 31 December 2006 did not hold any beneficial interest in the issued share capital of the company at 1 January 2006 (or date of appointment if later) or 31 December 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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,
- 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 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

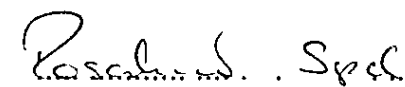
In accordance with Section 384 of the companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

NORTH SWINDON DEVELOPMENT COMPANY LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2006**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Forum Secretarial Services Limited - Secretary

Date 27th September 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH SWINDON DEVELOPMENT COMPANY LIMITED

We have audited the financial statements of North Swindon Development Company Limited for the year ended 31 December 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

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 on page two.

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 Report of the Directors 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 Report of the Directors 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH SWINDON DEVELOPMENT COMPANY LIMITED**

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 31 December 2006 and of its result 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

Date: . 26 . October . 2007 .

NORTH SWINDON DEVELOPMENT COMPANY LIMITED**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2006**

		<u>2006</u>	<u>2005</u>
	Notes	£	£
TURNOVER		3,070,122	5,531,814
Cost of sales		<u>3,109,720</u>	<u>5,512,331</u>
GROSS (LOSS)/PROFIT		(39,598)	19,483
Administrative expenses		<u>40,651</u>	<u>30,341</u>
OPERATING LOSS	2	(80,249)	(10,858)
Interest receivable and similar income		<u>80,249</u>	<u>14,236</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	3,378
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		-	3,378
Retained profit brought forward		<u>23,029</u>	<u>19,651</u>
RETAINED PROFIT CARRIED FORWARD		<u>23,029</u>	<u>23,029</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other as set out above

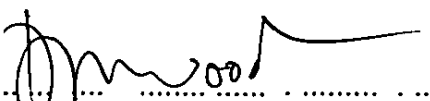
NORTH SWINDON DEVELOPMENT COMPANY LIMITED

BALANCE SHEET **31 December 2006**

		2006		2005	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		11,598		15,463
CURRENT ASSETS:					
Debtors	5	-		2,563,075	
Cash at bank		<u>8,843,612</u>		<u>421,039</u>	
		8,843,612		2,984,114	
CREDITORS: Amounts falling due within one year	6	<u>8,732,181</u>		<u>2,876,548</u>	
NET CURRENT ASSETS:			<u>111,431</u>		<u>107,566</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£123,029</u>		<u>£123,029</u>
CAPITAL AND RESERVES:					
Called up share capital	7		100,000		100,000
Profit and loss account			<u>23,029</u>		<u>23,029</u>
SHAREHOLDERS' FUNDS:	9		<u>£123,029</u>		<u>£123,029</u>

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

The financial statements were approved by the Board of Directors on 27th September 2007 and were signed on its behalf by


D R Woodward - Director

NORTH SWINDON DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents amounts received and receivable in respect of work carried out during the year and is recognised as the work is incurred

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant & Machinery - 25% on reducing balance

All tangible assets are recorded at historic cost.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. OPERATING LOSS

The operating loss is stated after charging:

	2006	2005
	£	£
Depreciation - owned assets	3,866	5,155
Audit of these financial statements	<u>7,080</u>	<u>6,680</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2006 nor for the year ended 31 December 2005

NORTH SWINDON DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2006

4. TANGIBLE FIXED ASSETS

	Plant and machinery
	£
COST:	
At 1 January 2006	
and 31 December 2006	<u>65,164</u>
DEPRECIATION:	
At 1 January 2006	49,700
Charge for year	<u>3,866</u>
At 31 December 2006	<u>53,566</u>
NET BOOK VALUE:	
At 31 December 2006	<u>11,598</u>
At 31 December 2005	<u>15,463</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Recoverable from shareholders	<u>-</u>	<u>2,563,075</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	526,318	585,327
Advance billing to shareholder	8,094,193	1,650,925
V.A T.	98,689	578,140
Accrued expenses	<u>12,981</u>	<u>62,156</u>
	<u>8,732,181</u>	<u>2,876,548</u>

7. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid.

Number	Class	Nominal value.	2006 £	2005 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

NORTH SWINDON DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2006

8 RELATED PARTY DISCLOSURES

During the year the services provided to the shareholders were as follows

	Turnover £	Amounts outstanding at end of year £
Crest Estates Limited	623,875	(364,731)
Taylor Woodrow Limited	296,498	(1,223,980)
George Wimpey Strategic Land Management Limited	647,498	(2,503,583)
JS Bloors (Swindon) Homes Limited	913,587	(1,622,384)
Westbury Homes Holdings Limited	588,648	(2,379,335)

The Company is jointly owned by the above companies which are all registered in England and Wales.

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	-	3,378
Net addition to shareholders' funds	-	3,378
Opening shareholders' funds	<u>123,029</u>	<u>119,651</u>
Closing shareholders' funds	<u>123,029</u>	<u>123,029</u>
Equity interests	<u>123,029</u>	<u>123,029</u>

NORTH SWINDON DEVELOPMENT COMPANY LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2006

	<u>2006</u>		<u>2005</u>	
	£	£	£	£
Sales		3,070,122		5,531,814
Cost of sales:				
Cost of sales		<u>3,109,720</u>		<u>5,512,331</u>
GROSS (LOSS)/PROFIT		(39,598)		19,483
Other income:				
Deposit account interest		<u>80,249</u>		<u>14,236</u>
		40,651		33,719
Expenditure:				
Administrative expenses	500		-	
Accountancy	19,495		16,956	
Legal fees	500		-	
Entertainment	-		2,693	
Insurance	<u>11,025</u>		<u>-</u>	
		<u>31,520</u>		<u>19,649</u>
		9,131		14,070
Finance costs:				
Bank charges		<u>5,265</u>		<u>5,537</u>
		3,866		8,533
Depreciation:				
Plant & machinery		<u>3,866</u>		<u>5,155</u>
NET PROFIT		<u>-</u>		<u>£3,378</u>