

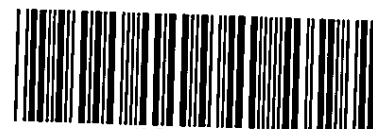
Company Registration No 3770562

FIELDMORE LIMITED

Report and Financial Statements

31 December 2006

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REPORT AND FINANCIAL STATEMENTS 2006

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REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

D E Hudson
A R Goldsmith

SECRETARY

D E Hudson

REGISTERED OFFICE

Hill House
1 Little New Street
London EC4A 4TR

BANKERS

Barclays Bank PLC
50 Pall Mall
London SW1A 1QB

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2006

PRINCIPAL ACTIVITY, FUTURE PROSPECTS AND REVIEW OF DEVELOPMENTS

The principal activity of the company at present and for the foreseeable future is that of property investment, trading and development. The directors do not foresee any change in the future activities of the company.

On the 12 May 2006 the company was disposed of by its immediate parent company, Development Securities (Projects) Limited and was acquired by Fieldmore (Staines) Limited, its current parent company.

The company assesses its investment business over the long term, where annual performance indicators are of less relevance in managing the business. Property portfolio performance is assessed using overall profitability and return on capital measures.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 7. The directors do not recommend the payment of a dividend (2005: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year and to date were as follows:

C J Barwick (resigned 12 May 2006)
M H Marx (resigned 12 May 2006)
A R Goldsmith (appointed 12 May 2006)
W S Fattal (appointed 10 July 2006 and resigned 7 August 2006)
D E Hudson (appointed 12 May 2006)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND EXPOSURES

The company's investments are mainly financed with intercompany borrowings.

The company's principal financial assets are bank balances and cash and trade and other receivables. Cash flow risk is low due to the liquid funds available to the business. The credit risk on liquid funds is limited because the counterparties are banks and financial institutions with high credit ratings.

The company's credit risk is primarily attributable to its trade and other receivables. The amounts shown in the balance sheet are net of any provision for bad debts. Such provisions are made where there is an identified event which provides evidence of a reduction in the recoverability of debts.

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

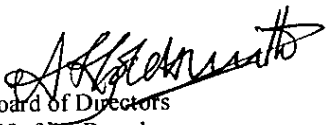
This confirmation is given and should be interpreted in accordance with section 234ZA of the Companies Act 1985.

AUDITORS

A resolution concerning the appointment of Deloitte & Touche LLP as auditors is to be proposed at the forthcoming Annual General Meeting.

EVENTS SINCE THE BALANCE SHEET DATE

During May 2007, the company reached agreement for the disposal of its site at Staines. The disposal of the site was completed on 18 July 2007 for consideration exceeding the cost included in the financial statements of the company.


Approved by the Board of Directors
and signed on behalf of the Board


SECRETARY

23 January 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year and comply with the Companies Act 1985. In preparing those 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 United Kingdom accounting standards have been followed, 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FIELDMORE LIMITED**

We have audited the financial statements of Fieldmore Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 11. 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 auditors' 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 annual report and the financial statements in accordance with applicable United Kingdom law and 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 whether these financial statements have been 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 in the annual 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FIELDMORE LIMITED (continued)**

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 loss 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

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered auditors
London

23 January 2008

FIELDMORE LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 December 2006

	Note	2006 £	2005 £
TURNOVER	1	61,384	65,025
Direct costs		<u>(65,763)</u>	<u>(18,257)</u>
GROSS (LOSS)/PROFIT		(4,379)	46,768
Administrative expenses		<u>(28,090)</u>	<u>(301,080)</u>
OPERATING LOSS	2	(32,469)	(254,312)
Interest payable and similar charges	3	<u>-</u>	<u>(81,617)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR	8	<u>(32,469)</u>	<u>(335,929)</u>

All turnover and profits derive from continuing operations

There are no recognised gains or losses or other movements in shareholders' funds except as stated above
Consequently there is no statement of total recognised gains and losses presented

FIELDMORE LIMITED

BALANCE SHEET
31 December 2006

	Note	2006 £	2005 £
CURRENT ASSETS			
Trading properties		3,338,360	2,830,933
Debtors	5	106,531	63,653
Cash at bank and in hand		<u>15,032</u>	<u>18,615</u>
		3,459,923	2,913,201
CREDITORS' amounts falling due within one year	6	<u>(3,225,058)</u>	<u>(3,245,866)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>234,865</u>	<u>(332,665)</u>
CAPITAL AND RESERVES			
Called up share capital	7	600,000	1
Profit and loss account – deficit	8	<u>(365,135)</u>	<u>(332,666)</u>
SHAREHOLDERS' FUNDS/(DEFICIT)		<u>234,865</u>	<u>(332,665)</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors




(SECRETARY)

23 January 2008

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 31 December 2006

	2006 £	2005 £
Share capital issued and paid	599,999	-
Loss on ordinary activities after taxation	<u>(32,469)</u>	<u>(335,929)</u>
Net movement in shareholders' funds	567,530	(335,929)
Shareholders' (deficit)/funds at 1 January	<u>(332,665)</u>	<u>3,264</u>
Shareholders' funds/(deficit) at 31 December	<u><u>234,865</u></u>	<u><u>(332,665)</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention. The accounting policies adopted are consistent with the previous year.

Turnover

Turnover represents rents and management fees receivable, which all arose in the United Kingdom and are stated net of Value Added Tax. Turnover is recognised when the related services have been provided.

Land, Developments in Progress and Trading Properties

Land, developments in progress and properties held as trading assets are valued at the lower of cost and estimated net realisable value. The cost of property developments includes net outgoings and attributable interest up to the date of completion, where the development period exceeds one year, or where financing costs represent a substantial element of the eventual cost of sale.

No profit on long-term developments is recognised until the development is substantially complete and profit is recognised only where the outcome of the development can be determined with reasonable certainty. Full provision is made for foreseeable losses as soon as such losses are identified.

Taxation

Current tax, including UK corporation tax and foreign tax where applicable, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

2 OPERATING LOSS

None of the directors received any emoluments from the company during the year (2005 £nil) for their services as directors

The auditors' remuneration for the year was £5,000 for audit services. The prior year remuneration for audit services of £1,000 was borne by Development Securities PLC, the ultimate parent company at that time

The company does not have any employees, excluding directors (2005 none)

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Interest on loans from group companies	<u>-</u>	<u>81,617</u>

4 TAXATION

There is no tax charge in the current year (2005 £nil)

Factors affecting the tax charge for the current year

	2006 £	2005 £
Loss on ordinary activities before tax	<u>(32,469)</u>	<u>(335,929)</u>
Tax at 30% thereon	(9,741)	(100,779)
Effect of Permanent differences	(2,250)	2,250
Group relief surrendered for nil consideration	<u>11,991</u>	<u>98,529</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

5 DEBTORS

	2006 £	2005 £
Trade debtors	23,215	3,541
VAT recoverable	82,744	-
Prepayments	571	-
Other debtors	<u>1</u>	<u>60,112</u>
	<u>106,531</u>	<u>63,653</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	25,462	-
Other creditors	194,610	-
Amounts owing to Development Securities plc and its subsidiaries	2,993,975	3,221,112
Other taxation and social security	-	1,094
Accruals and deferred income	<u>11,011</u>	<u>23,660</u>
	<u><u>3,225,058</u></u>	<u><u>3,245,866</u></u>

7 CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised		
600,000 (2005 one) ordinary shares of £1 each	<u>600,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
600,000 (2005 1,000) ordinary share of £1	<u>600,000</u>	<u>1</u>

During the year an additional 599,000 ordinary shares of £1 each were authorised and subsequently an additional 599,999 ordinary shares of £1 each were issued

8 PROFIT AND LOSS ACCOUNT

	2006 £
At 1 January	(332,666)
Retained loss for the year	<u>(32,469)</u>
At 31 December	<u><u>(365,135)</u></u>

9 POST BALANCE SHEET EVENTS

During May 2007, the company reached agreement for the disposal of its site at Starnes. The disposal of the site was completed on 18 July 2007 for consideration exceeding the cost included in the financial statements of the company

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

10 ULTIMATE AND IMMEDIATE CONTROLLING PARTIES

On 12 May 2006 the company was disposed of by its immediate parent company, Development Securities (Projects) Limited, a company registered in England and Wales and incorporated in Great Britain, and was acquired by Fieldmore (Staines) Limited, registered and incorporated in Guernsey, its current parent company. The ultimate parent, controlling party and parent of the largest and smallest group for which consolidated accounts are produced is Fieldmore (Staines) Limited. Copies of the Annual Report and Financial Statements of Fieldmore (Staines) Limited can be obtained at the company's registered office at Hill House, 1 Little New Street, London EC4A 3TR.

11 RELATED PARTY DISCLOSURE

Until 12 May 2006 the company was a wholly owned subsidiary undertaking of Development Securities plc and, in accordance with the exemption provided by Financial Reporting Standard No 8, "Related Party Disclosures," transactions within the Development Securities Plc group until that date have not been disclosed within these financial statements.

From 12 May 2006, and to date, the company is a wholly owned subsidiary undertaking of Fieldmore (Staines) Limited and, in accordance with the exemption provided by Financial Reporting Standard No 8, "Related Party Disclosures," transactions within the Fieldmore (Staines) Limited group since that date have not been disclosed within these financial statements.

On 18 July 2007, the company disposed of its site at Staines. The share of proceeds remitted to Development Securities Plc group in accordance with a joint venture development agreement signed on 3 April 2006, was £5,166,326.