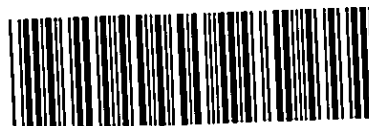


Cabot Homes (Cliftonwood) Limited

Report and Financial Statements

31 December 2006

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Cabot Homes (Cliftonwood) Limited

Report and financial statements 2006

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Cabot Homes (Cliftonwood) Limited

Directors' report

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

This directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4)(a) of the Companies Act 1985

Principal activities

The principal activity of the company during the year was that of residential property development

Business review and financial activities

On 14 July 2006 the company sold the development at Cliftonwood, Bristol to Cabot Homes (South West) Limited

Detailed results are set out in the profit and loss account on page 4

The directors and their interests

The directors who served the company throughout the year and to date are set out below

S E Porter (resigned 20 June 2006)

S C Potter

G A Malton (appointed 10 May 2006)

The directors had no interest in the company during this year or the prior year

Auditors

In the case of each of the persons who are directors at the time when the directors' report is approved, the following apply

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- He 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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Bishop Fleming resigned as auditors of the company in January 2006 and the directors appointed Deloitte & Touche LLP

Pursuant to section 386 of the Companies Act 1985 an elective resolution has been passed to dispense with the requirement to reappoint auditors annually, therefore Deloitte & Touche LLP will remain as auditors

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



D K Tipping
Company Secretary

19 APRIL 2007

Registered office
50 Lancaster Road
Enfield
Middlesex
EN2 0BY

Cabot Homes (Cliftonwood) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report including the financial statements. 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 and of its profit or loss for that period and comply with UK GAAP and 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 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 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 Cabot Homes (Cliftonwood) Limited

We have audited the financial statements of Cabot Homes (Cliftonwood) Limited for the year ended 31 December 2006 which comprise profit and loss account, the balance sheet 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 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 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.

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 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.


Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

19 April 2007

Cabot Homes (Cliftonwood) Limited

Profit and loss account

Year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover	1	5,997	-
Cost of sales		(5,997)	(44)
Gross profit/(loss)		-	(44)
Administrative expenses		-	(2)
Operating profit/(loss) and profit/(loss) on ordinary activities before taxation	3	-	(46)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the financial year	8	-	(46)

All amounts relate to continuing activities

There are no recognised gains or losses in either the current or prior year other than those stated in the profit and loss account

Cabot Homes (Cliftonwood) Limited

Balance sheet 31 December 2006

	Note	2006 £'000	2005 £'000
Current assets			
Land and buildings in course of development		-	5,404
Creditors: amounts falling due within one year	5	(51)	(1,777)
Net current (liabilities)/assets		(51)	3,627
Creditors: amounts falling due after more than one year	6	-	(3,678)
Net liabilities		(51)	(51)
Capital and reserves			
Called up equity share capital	7	-	-
Profit and loss account	8	(51)	(51)
Equity shareholders' deficit	9	(51)	(51)

The financial statements were approved by the Board of Directors on 19 APRIL 2007


GA Malton
Director

Cabot Homes (Cliftonwood) Limited

Notes to the accounts

Year ended 31 December 2006

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current and prior year.

Accounting convention

These financial statements are prepared under the historical cost convention.

Turnover

Turnover comprises

- i) the net proceeds of properties developed by the group and sold to third parties, together with the sale proceeds of both partially developed and undeveloped sites. Sales of units and undeveloped sites are recognised at the time of legal completion, and
- ii) the value of the freehold title in respect of units sold under leasehold terms. This is recognised at the time of legal completion of the individual leasehold units occupying the respective freehold.

Land and buildings in course of development

Land and buildings in course of development and land upon which development has not yet commenced are valued at the lower of cost and net realisable value. Cost includes the cost of acquiring land, development expenditure to date and finance costs.

In considering net realisable value, it is assumed that the sites will be fully developed and the completed units sold in the ordinary course of the group's business, and that the sites would not be placed on the market for immediate sale in their existing state.

Deferred tax

Deferred taxation is provided in full on all 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 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.

2 Directors and employees

The company has had no employees during the current or preceding year, other than directors. None of the directors has received any emoluments or other benefits during the current or preceding year.

3. Operating profit/(loss)

Auditors' remuneration has been borne by another group company in the current year (2005 £1,000).

Cabot Homes (Cliftonwood) Limited

Notes to the accounts

Year ended 31 December 2006

4 Tax on ordinary activities

Reconciliation of current tax charge

The standard rate of current tax for the year is the UK standard rate of corporation tax of 30% (2005 30%)
The tax charge for both the current and previous year differs from the standard rate for the reasons set out in the following reconciliation

	2006 £'000	2005 £'000
Loss on ordinary activities before taxation	-	(46)
Tax charge on loss on ordinary activities at 30%	-	(14)
Losses carried forward	-	14
Current tax charge	-	-

A deferred tax asset has not been recognised in respect of trading losses as there is insufficient evidence that the asset will be recovered. The maximum value of the unrecognised asset is £15,000 (2005 £15,000). This asset would be recovered only if sufficient suitable future profits were made.

5 Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Amounts owed to group undertakings	51	1,776
Other creditors	-	1
	51	1,777

6 Creditors: amounts falling due after more than one year

	2006 £'000	2005 £'000
Bank loans	-	3,678

The bank loan was secured by fixed and floating charges over all assets of the group and was subject to interest rates linked to the Bank of England base rate. The loan was repayable on 31 October 2007.

7. Share capital

	Number	£
Authorised share capital.		
At 31 December 2005 and 31 December 2006	1,000	1,000
Allotted, called up and fully paid		
At 31 December 2005 and 31 December 2006	100	100

Cabot Homes (Cliftonwood) Limited

Notes to the accounts

Year ended 31 December 2006

8. Profit and loss account

	£'000
At 31 December 2005	(51)
Retained profit for the year	-
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At 31 December 2006	(51)
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9. Reconciliation of movements in equity shareholders' deficit

	2006 £'000	2005 £'000
Opening equity shareholders' deficit	(51)	(5)
Profit/(loss) for the year	-	(46)
	<hr/>	<hr/>
Closing equity shareholders' deficit	(51)	(51)
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10. Related party transactions

The company has taken advantage of the exception granted by paragraph 3 (c) of FRS 8 not to disclose related party transactions with greater than 90% owned companies within the group

11. Ultimate parent company

The ultimate parent company is Cabot Homes Limited, a company incorporated in England and Wales

The largest and smallest group of undertakings for which group accounts to 31 December 2006 are drawn up and of which the company is a member is Cabot Homes Limited. Copies of the group accounts may be obtained from 50 Lancaster Road, Enfield, Middlesex EN2 0BY