

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2008

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COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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## COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2008

The Directors submit their annual report together with the audited financial statements of the Company for the year ended 30 September 2008.

#### DIRECTORS

The Directors of the Company during the year and up to the date of signing the financial statements were:

G S Cherry  
R P Hoyles  
R S Cherry  
C P Crook  
J Robertson  
M Pashley  
W S Benjamin  
A W Lamont

Qualifying third party indemnity insurance was in place in respect of the Directors of the Company during the year and is in place subsequent to the year end.

#### BUSINESS REVIEW

##### Principle activities of the Company

The Company is a specialist developer of luxury residential apartments in Cambridge and is a joint venture between Countryside Properties (UK) Limited, Apollo Accordia LLC and Apollo Accordia (EU) LLC.

The Company has undertaken the development of a former M.A.F.F. site at Brooklands Avenue, Cambridge. Construction of 173 dwellings comprising 73 private and 100 affordable units commenced in September 2003 and completed in June 2006. In September 2006, land with a detailed planning consent for a further 192 residential plus 13 affordable dwellings was sold to Redeham Homes. During the year the Company discharged its residual obligations under the land sale agreement. The resultant turnover and profit were recognised in the September 2007 financial statements as an adjusting post balance sheet event.

##### Trading Results

The activities of the Company in the year comprised the receipt of the final income under the affordable housing contract with applicable cost of sale. Turnover for the year was £64,691 (2007: £6,493,976) producing a post tax profit of £99,821 (2007: £1,331,724).

An interim dividend of £1,505,427 was paid on 30 May 2008 to the shareholders on the register at the close of business on 29 May 2008 (2007: £5,000,000).

The Company was funded during the year by equity share capital and retained reserves.

No future development activities have been identified by the Directors and as such the Company will scale down operations in the forthcoming year.

##### Principal Risks and Uncertainties

As a result of the Company activities in the year and the discharge of key obligations, the Directors are of the opinion that there are no considered material risks or uncertainties facing the Company in the short term.

## COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Continued)

#### POLITICAL AND CHARITABLE DONATIONS

The Company made no political or charitable donations in the year (2007: £Nil).

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 year.

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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company 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 AND DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are not aware.

The Directors have taken all the relevant steps that they ought to have taken in their duty as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, PricewaterhouseCoopers LLP shall be deemed to be re-appointed as auditors for a further term.

By Order of the Board



**T M Warren**  
Company Secretary

27 JULY 2009

## **COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED**

We have audited the financial statements of Countryside Properties (Accordia) Limited for the year ended 30 September 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The Directors' responsibilities for preparing the Annual Report and 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). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

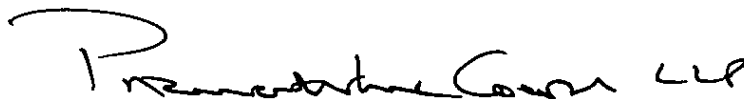
COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
COUNTRYSIDE PROPERTIES (ACCORDIA) 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 30 September 2008 and of its profit and cash flows 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.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

30 July 2009

**COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

	Note	2008 £	2007 £
Turnover	1	64,691	6,493,976
Cost of sales		(67,991)	(4,848,413)
Gross (loss)/profit		(3,300)	1,645,563
Administrative expenses		(5,106)	(5,100)
Operating (loss)/profit	2	(8,406)	1,640,463
Net interest receivable and similar charges	3	147,591	262,000
Profit on ordinary activities before taxation		139,185	1,902,463
Taxation	4	(40,364)	(570,739)
Profit on ordinary activities after taxation		98,821	1,331,724
Dividend paid		(1,505,427)	(5,000,000)
Loss for the financial year	12	(1,406,606)	(3,668,276)

The profit for the financial year arises from continuing operations.

There is no difference between the reported profit and the historical cost profit on ordinary activities after taxation.

There were no recognised gains or losses incurred in the financial year other than those shown in the profit and loss account and therefore no statement of total recognised gains and losses is presented.

The notes on pages 8 to 12 form part of these accounts.

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2008

	Note	2008 £	2007 £
<b>CURRENT ASSETS</b>			
Debtors	5	35,860	778,425
Cash at bank and in hand		<u>738,750</u>	<u>2,892,282</u>
		774,610	3,670,707
Creditors amounts falling due within one year	6	<u>(468,267)</u>	<u>(1,957,758)</u>
<b>NET CURRENT ASSETS</b>		<u>306,343</u>	<u>1,712,949</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	200	200
Profit and loss account	8	<u>306,143</u>	<u>1,712,749</u>
<b>Total shareholders' funds</b>	12	<u>306,343</u>	<u>1,712,949</u>

The notes on pages 8 to 12 form part of these accounts.

Approved by the Board on

27 July 2009

G S Cherry

Director



COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 £	2007 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	10	(224,957)	(1,827,142)
		<hr/>	<hr/>
RETURN ON INVESTMENT AND SERVICING OF FINANCE			
Interest received		147,591	262,000
		<hr/>	<hr/>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		147,591	262,000
TAXATION			
UK corporation tax paid		(570,739)	(3,941,897)
Equity dividends paid		(1,505,427)	(5,000,000)
		<hr/>	<hr/>
DECREASE IN CASH	11	(2,153,532)	(10,507,039)
		<hr/>	<hr/>

# COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 1 ACCOUNTING POLICIES

The principal accounting policies of the Company are as follows:

#### Accounting policies

The Company has adopted FRS20, Share Based Payments.

FRS20 has not resulted in the restatement of retained earnings and had no impact on the results or net assets in the current or prior year.

#### Basis of Preparation

The accounts are prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 1985.

#### Turnover

Turnover comprises sales of land and sales of properties where building has been completed and the property has been legally transferred to the purchaser. In the case of the long term building contract with Wherry Housing Association, turnover includes amounts invoiced during the year for work certified as completed under the contract. Sales of secondhand properties acquired solely to assist the sale of new properties under the Company's part-exchange scheme are not included in turnover.

#### Gross Profit

Gross profit is recognised on legal completion of any land sale and of each property at the margin contemplated to be received on the completion of the development. In the case of building contracts, profit is recognised against work certified under the contract at the margin anticipated on the completion of the development.

#### Interest receivable and similar income

Interest receivable/payable and similar income are credited to the profit and loss account on an accruals basis.

#### Taxation

The tax currently payable is based on the profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income and expense that are taxable in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of material timing differences that have originated but not reversed at the balance sheet date where the transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred. Deferred tax is measured at the tax rate expected to apply when the timing differences reverse, based on tax rates enacted, or substantially enacted at the balance sheet date.

A deferred tax asset is only recognised when it is more likely than not that it will be recoverable in the future. Deferred tax assets and liabilities are not discounted.

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Continued)

2 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is arrived at after charging:

	2008 £	2007 £
Auditors' remuneration	3,000	5,100

None of the Directors received any emoluments in respect of their services to the Company during the year (2007: £Nil). The Company had no employees during the year (2007: None).

3 NET INTEREST RECEIVABLE

	2008 £	2007 £
Interest receivable	147,591	262,000

4 TAXATION

	2008 £	2007 £
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(i) Analysis of tax charge for the year:

CORPORATION TAX

Current year	40,364	570,739
Total current tax charge	40,364	570,739

	2008 £	2007 £
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(ii) Factors affecting the tax charge for the current year:

Profit on ordinary activities before taxation	139,185	1,902,463
Profit on ordinary activities multiplied by standard rate of 29% (2007: 30%)	(40,364)	(570,739)
Current tax charge for the year	(40,364)	(570,739)

On 1 April 2008 the mainstream corporation tax rate changed from 30% to 28%. In these financial statements a pro-rata rate of 29% has been adopted.

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Continued)

5 DEBTORS

	2008 £	2007 £
Trade debtors	35,860	198,485
Other debtors	-	579,940
	<hr/>	<hr/>
	35,860	778,425
	<hr/>	<hr/>

6 CREDITORS: amounts falling due within one year

	2008 £	2007 £
Trade creditors	242,269	1,027,518
Corporation tax	40,364	570,739
Accruals	185,634	359,501
	<hr/>	<hr/>
	468,267	1,957,758
	<hr/>	<hr/>

7 CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised, allotted, issued and fully paid:		
5000 "A" Ordinary shares of 2p each	100	100
5000 "B" Ordinary shares of 2p each	100	100
	<hr/>	<hr/>
	200	200
	<hr/>	<hr/>

The "A" and "B" Ordinary Shares have identical voting rights. Dividends and the return of assets on liquidation or otherwise, are subject to distribution following the payment of any priority payments due under any Relevant Agreement as defined in the Company's Articles of Association.

8 RESERVES

	2008 £	2007 £
Profit and loss account		
At 1 October	1,712,749	5,381,025
Profit for the financial year	98,821	1,331,724
Dividends paid	(1,505,427)	(5,000,000)
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At 30 September	306,143	1,712,749
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COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Continued)

9 CAPITAL COMMITMENTS

The Company had no capital commitments at 30 September 2008 (2007: £Nil).

10 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH OUTFLOW  
FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating (loss)/profit	(8,406)	1,640,463
Decrease in stock	-	1,639,617
Decrease in debtors	742,565	1,890,026
Decrease in creditors	(959,116)	(6,997,248)
	<hr/>	<hr/>
Net cash outflow from operating activities	(224,957)	(1,827,142)
	<hr/>	<hr/>

11 ANALYSIS OF CHANGES IN NET CASH

	30 September 2006 £	Cash flow £	30 September 2007 £	Cash flow £	30 September 2008 £
Cash at bank and in hand	13,399,321	(10,507,039)	2,892,282	(2,153,532)	738,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit on ordinary activities after taxation	98,821	1,331,724
Dividends paid	(1,505,427)	(5,000,000)
	<hr/>	<hr/>
Net decrease in shareholders' funds	(1,406,606)	(3,668,276)
Shareholders' funds brought forward	1,712,949	5,381,225
	<hr/>	<hr/>
Shareholders' funds carried forward	306,343	1,712,949
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# COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Continued)

### 13 RELATED PARTY TRANSACTIONS

The Company is a joint venture owned by Countryside Properties (UK) Limited incorporated in Great Britain (50%), Apollo Accordia LLC (27%) incorporated in the USA and Apollo Accordia (EU) LLC (23%) incorporated in the USA. In accordance with the terms of the joint venture agreement, the Company has had the following transactions with related parties in the year:

	2008 £	2007 £
Countryside Properties (UK) Limited – Management charge	3,000	-
	<hr/>	<hr/>
	2008 £	2007 £
Apollo Accordia LLC – Management charge	3,000	-
	<hr/>	<hr/>

There were no balances due to related parties at the year end.