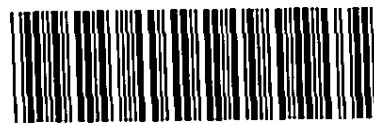


Registered Number: 4530306

ROSSFLEET BRIGG LIMITED

**DIRECTORS' REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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COMPANIES HOUSE

ROSSFLEET BRIGG LIMITED

COMPANY INFORMATION

DIRECTORS	P A Rackham P A Rackham Jnr S R Stuteley
SECRETARY	S R Stuteley
COMPANY NUMBER	4530306
REGISTERED OFFICE	Manor Farm Bridgham Norwich Norfolk NR16 2RX
AUDITORS	Deloitte & Touche LLP Chartered Accountants and Registered Auditors Cambridge United Kingdom
BANKERS	Lloyds TSB Bank Plc

ROSSFLEET BRIGG LIMITED

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ROSSFLEET BRIGG LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007. This report has been prepared in accordance with the special provisions relating to small companies under Section 246 (4) of the Companies Act 1985.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 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 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is that of property development.

The loss for the year in the company represents expenses incurred in maintaining the Brigg property pending securing short-term tenants with a view to ultimate disposal.

The financial instruments of the company principally comprise short-term debtors and creditors. The company does not trade in financial instruments and neither uses, nor trades, in derivative financial instruments.

The company is funded by its parent company at a commercial interest rate.

RESULTS & DIVIDENDS

The loss for the year, after taxation, amounted to £98,186 (2006 - Loss £144,751).

The directors do not recommend the payment of a dividend (2006 - Nil).

ROSSFLEET BRIGG LIMITED

DIRECTORS' REPORT
For the year ended 31 December 2007

DIRECTORS

The directors who served throughout the year were

P A Rackham
P A Rackham Jnr
S R Stuteley

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors and to authorise the Directors to determine the auditors' remuneration will be proposed at the forthcoming Annual General Meeting

Disclosure of information to auditors

In the case of each of the persons who are Directors of the Company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware, and
- each of the Directors 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

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

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



S R Stuteley
Director

11 April 2008

ROSSFLEET BRIGG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSSFLEET BRIGG LIMITED

We have audited the financial statements of Rossfleet Brigg Limited for the year ended 31 December 2007, which comprise the profit and loss account, the balance sheet, and the related notes 1 to 15. 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 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.

ROSSFLEET BRIGG LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROSSFLEET BRIGG LIMITED

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 2007 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
Cambridge
United Kingdom

11 April 2008

ROSSFLEET BRIGG LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2007

	Note	2007 £	2006 £
TURNOVER	1	91,468	18,341
Administrative expenses		<u>(117,044)</u>	<u>(97,033)</u>
OPERATING LOSS	2	(25,576)	(78,692)
Interest receivable	4	122	48
Interest payable	5	<u>(69,247)</u>	<u>(66,107)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(94,701)	(144,751)
TAX ON LOSS ON ORDINARY ACTIVITIES	6	<u>(3,485)</u>	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u>(98,186)</u>	<u>(144,751)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account.

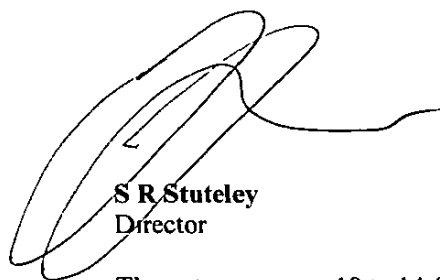
The notes on pages 10 to 14 form part of these financial statements

ROSSFLEET BRIGG LIMITED

BALANCE SHEET
As at 31 December 2007

	Note	2007	2006
		£	£
FIXED ASSETS			
Tangible fixed assets	7	247	412
CURRENT ASSETS			
Stocks	8	802,441	752,346
Debtors	9	27,710	20,658
Cash at bank and in hand		<u>3,781</u>	<u>5,678</u>
		833,932	778,682
CREDITORS: amounts falling due within one year	10	<u>(1,485,510)</u>	<u>(1,332,239)</u>
NET CURRENT LIABILITIES		<u>(651,578)</u>	<u>(553,557)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET LIABILITIES		<u>(651,331)</u>	<u>(553,145)</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	<u>(651,431)</u>	<u>(553,245)</u>
SHAREHOLDERS' DEFICIT	13	<u>(651,331)</u>	<u>(553,145)</u>

The financial statements were approved by the board on *11 April 2008* and signed on its behalf.



S R Stuteley
Director

The notes on pages 10 to 14 form part of these financial statements

ROSSFLEET BRIGG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1

1.3 Turnover

Turnover comprises property rentals and other goods and services, which fall within the company's ordinary activities, exclusive of Value Added Tax. All turnover arose from within the United Kingdom. The directors consider there to be one business segment for reporting purposes, as the company conducts one business activity, being the sale and rental of properties

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	15% straight line
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1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the cost of acquisition of property, professional and planning fees and construction and infrastructure costs but excludes overheads. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling the properties

1.6 Taxation

UK corporation tax 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

Provision is made in full on timing differences, which 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

ROSSFLEET BRIGG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

2. OPERATING LOSS

The operating loss is stated after charging

	2007	2006
	£	£
Depreciation of tangible fixed assets		
- owned by the company	165	165
Auditors' remuneration		
- Fees payable to the company's auditors for the audit of the company's annual accounts	<u>7,500</u>	<u>7,500</u>

3. STAFF COSTS

During the year, no director received any emoluments from the company in respect of their services for the company (2006 - £nil)

Staff costs were as follows

	2007	2006
	£	£
Wages and salaries	14,218	13,699
Social security costs	<u>1,157</u>	<u>1,114</u>
	<u>15,375</u>	<u>14,813</u>

The average monthly number of employees, including directors, during the year was as follows:

	2007	2006
Directors	3	3
Security	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

4. INTEREST RECEIVABLE

	2007	2006
	£	£
Other interest receivable	<u>122</u>	<u>48</u>

5. INTEREST PAYABLE

	2007	2006
	£	£
On bank loans and overdrafts	34	42
On other loans	40	-
On loans from group undertakings	<u>69,173</u>	<u>66,065</u>
	<u>69,247</u>	<u>66,107</u>

ROSSFLEET BRIGG LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

6. TAXATION

	2007	2006
	£	£
UK corporation tax on losses of the year	-	-
Prior year adjustment	3,485	-
	<u>3,485</u>	<u>-</u>

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to the company (30%). The differences are explained below:

	2007	2006
	£	£
Loss on ordinary activities before tax	<u>(94,701)</u>	<u>(144,751)</u>
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2006 - 30%)	(28,410)	(43,425)
Effects of:		
Group relief surrendered for nil consideration	24,567	42,616
Capital allowances for period in excess of depreciation	(40)	(4)
Expenses not deductible for tax purposes	3,883	813
Prior year adjustment	3,485	-
Current tax charge for year (see note above)	<u>3,485</u>	<u>-</u>

Factors that may affect future tax charges

The company has available tax losses of approximately £317,150, (2006 £317,150) to carry forward for use against future trading profits generated from the same trading activity

A deferred tax asset has not been recognised relating to tax losses in respect of the current trade. The amount of the asset not recognised is £88,802 (2006 - £95,145). The asset will be recovered when there are sufficient taxable profits of the current trade in subsequent accounting periods.

In March 2007 the UK government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008. The legislation was substantially enacted in June 2007. The effective tax rate for any current tax charge for the year ended 31 December 2008 would be reduced accordingly.

7. TANGIBLE FIXED ASSETS

	Plant and machinery £
Cost	
At 1 January 2007 and 31 December 2007	<u>1,100</u>
Depreciation	
At 1 January 2007	688
Charge for year	165
At 31 December 2007	<u>853</u>
Net book value	
At 31 December 2007	<u>247</u>
At 31 December 2006	<u>412</u>

ROSSFLEET BRIGG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

8. STOCKS

	2007 £	2006 £
Stock properties	<u>802,441</u>	<u>752,346</u>

The directors consider that the difference between the purchase price of stocks and their replacement cost is not material. During the year operating lease rentals of £54,587 (2006 - £18,099) were received from the use of stock properties

9. DEBTORS

	2007 £	2006 £
Trade debtors	20,686	8,564
Other debtors	-	6,877
Prepayments and accrued income	<u>7,024</u>	<u>5,217</u>
	<u>27,710</u>	<u>20,658</u>

All amounts are due within one year.

10. CREDITORS
Amounts falling due within one year

	2007 £	2006 £
Trade creditors	16,931	8,699
Amounts owed to group undertakings	1,439,354	1,307,248
Social security and other taxes	1,056	531
Accruals and deferred income	<u>28,169</u>	<u>15,761</u>
	<u>1,485,510</u>	<u>1,332,239</u>

11. SHARE CAPITAL

	2007 £	2006 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Alloted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

ROSSFLEET BRIGG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

12. RESERVES

Profit and loss account	£
At 1 January 2007	(553,245)
Loss retained for the year	<u>(98,186)</u>
At 31 December 2007	<u>(651,431)</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2007 £	2006 £
Loss for the year	<u>(98,186)</u>	<u>(144,751)</u>
Net increase in shareholders' deficit	(98,186)	(144,751)
Opening shareholders' deficit	<u>(553,145)</u>	<u>(408,394)</u>
Closing shareholders' deficit	<u>(651,331)</u>	<u>(553,145)</u>

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of the Financial Reporting Standard 8 not to disclose related party transactions with fellow group companies

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a fully owned subsidiary of Property Recycling Group plc, a company registered in England and Wales. The immediate and ultimate controlling party of Rossfleet Brigg Limited is Property Recycling Group plc. Copies of the group financial statements of Property Recycling Group plc are available from the Registered Office at Manor Farm, Bridgham, Norwich NR16 2RX.

ROSSFLEET BRIGG LIMITED

The additional information on pages 16 and 17 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

ROSSFLEET BRIGG LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2007

	Page	2007 £	2006 £
TURNOVER	17	91,468	18,341
Less: OVERHEADS			
Administration expenses	17	(117,044)	(97,033)
OPERATING LOSS		(25,576)	(78,692)
Interest receivable	17	122	48
Interest payable	17	(69,247)	(66,107)
LOSS FOR THE YEAR		(94,701)	(144,751)

ROSSFLEET BRIGG LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
For the year ended 31 December 2007

	2007 £	2006 £
TURNOVER		
Sales - UK	36,881	242
Rent receivable - UK	<u>54,587</u>	<u>18,099</u>
	<u>91,468</u>	<u>18,341</u>
	2007 £	2006 £
ADMINISTRATION EXPENSES		
Management charge	40,000	40,000
Staff salaries	15,375	14,813
Light and heat	12,866	10,370
Water	12,752	12,436
Fuel	108	286
Estate fees	2,236	2,128
Waste disposal	374	349
Telephone and fax	832	736
Legal and professional	14,585	6,010
Auditors' remuneration	7,500	7,500
Bank charges	91	10
Insurances	1,916	1,577
Repairs and maintenance	7,739	653
Sundry expenses	505	-
Depreciation - plant and machinery	<u>165</u>	<u>165</u>
	<u>117,044</u>	<u>97,033</u>
	2007 £	2006 £
INTEREST RECEIVABLE		
Bank interest receivable	<u>122</u>	<u>48</u>
	2007 £	2006 £
INTEREST PAYABLE		
Bank overdraft interest payable	34	42
Group interest payable	69,173	66,065
Other loan interest payable	<u>40</u>	<u>-</u>
	<u>69,247</u>	<u>66,107</u>