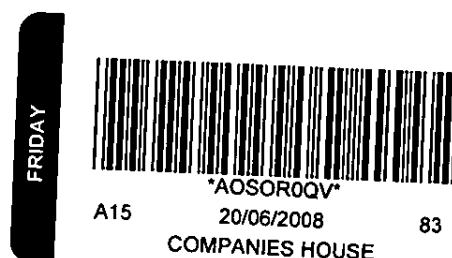


COMPANY REGISTRATION NUMBER 04639207

**BEECHES TWO (EARDISLEY) LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2007**



**BSN ASSOCIATES LIMITED**

Chartered Accountants & Registered Auditors  
3B Swallowfield Courtyard  
Wolverhampton Road  
Oldbury  
West Midlands  
B69 2JG

# **BEECHES TWO (EARDISLEY) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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**BEECHES TWO (EARDISLEY) LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The director</b>	Beeches Two Limited
<b>Company secretary</b>	Capital Ventures Limited
<b>Registered office</b>	Capital Ventures Limited Whittington Hall Whittington Road Worcester WR5 2ZX
<b>Auditor</b>	BSN Associates Limited Chartered Accountants & Registered Auditors 3B Swallowfield Courtyard Wolverhampton Road Oldbury West Midlands B69 2JG

# **BEECHES TWO (EARDISLEY) LIMITED**

## **THE DIRECTOR'S REPORT**

### **YEAR ENDED 31 DECEMBER 2007**

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 December 2007

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company was the purchase of land for the purpose of either developing selected building sites or the building of properties for private housing

#### **DIRECTOR**

The director who served the company during the year was as follows

Beeches Two Limited

#### **DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

In so far as the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

#### **AUDITOR**

A resolution to re-appoint BSN Associates Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

# **BEECHES TWO (EARDISLEY) LIMITED**

## **THE DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2007**

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office  
Capital Ventures Limited  
Whittington Hall  
Whittington Road  
Worcester  
WR5 2ZX

Signed by order of the director



CAPITAL VENTURES LIMITED  
Company Secretary

Approved by the director on 9 May 2008

**BEECHES TWO (EARDISLEY) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**BEECHES TWO (EARDISLEY) LIMITED**  
**YEAR ENDED 31 DECEMBER 2007**

We have audited the financial statements of Beeches Two (Eardisley) Limited for the year ended 31 December 2007, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on page 8

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

The director's 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 Director's 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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 director 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.

**BEECHES TWO (EARDISLEY) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**BEECHES TWO (EARDISLEY) LIMITED** *(continued)*  
**YEAR ENDED 31 DECEMBER 2007**

**OPINION**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit 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 Director's Report is consistent with the financial statements

*BSN Associates Limited.*

3B Swallowfield Courtyard  
Wolverhampton Road  
Oldbury  
West Midlands  
B69 2JG

BSN ASSOCIATES LIMITED  
Chartered Accountants  
& Registered Auditors

9 May 2008

# **BEECHES TWO (EARDISLEY) LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2007**

	<b>Note</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
<b>TURNOVER</b>		–	2,585,500
Cost of sales		<u>(740)</u>	<u>2,135,467</u>
<b>GROSS PROFIT</b>		<b>740</b>	<b>450,033</b>
Administrative expenses		<u>424</u>	<u>131,846</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>316</b>	<b>318,187</b>
Interest receivable		–	2,131
Interest payable and similar charges		–	(16,709)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>316</b></u>	<u><b>303,609</b></u>
Tax on profit on ordinary activities	<b>3</b>	<u>(179)</u>	<u>89,330</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>495</b>	<b>214,279</b>
Balance brought forward		<u>340,619</u>	<u>126,340</u>
Balance carried forward		<u><b>341,114</b></u>	<u><b>340,619</b></u>

The notes on pages 8 to 10 form part of these financial statements



# BEECHES TWO (EARDISLEY) LIMITED

## BALANCE SHEET

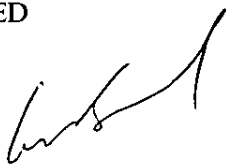
31 DECEMBER 2007

	Note	2007 £	2006 £
<b>CURRENT ASSETS</b>			
Debtors	4	349,279	533,580
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>8,164</u>	<u>192,960</u>
<b>NET CURRENT ASSETS</b>		<u>341,115</u>	<u>340,620</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>341,115</u>	<u>340,620</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	7	1	1
Profit and loss account		<u>341,114</u>	<u>340,619</u>
<b>SHAREHOLDERS' FUNDS</b>	8	<u>341,115</u>	<u>340,620</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These financial statements were approved and signed by the director and authorised for issue on 9 May 2008

BEECHES TWO LIMITED  
Director



The notes on pages 8 to 10 form part of these financial statements

# **BEECHES TWO (EARDISLEY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

#### **Related parties transactions**

The company is a wholly owned subsidiary of Beeches Two Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Beeches Two group

#### **Turnover**

Turnover represents the value of property sales and is stated before the deduction of selling expenses. Sales are recognised only when contracts are exchanged. Turnover arises solely within the United Kingdom

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

### **2. OPERATING PROFIT**

Operating profit is stated after crediting

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Director's emoluments	<u>—</u>	<u>—</u>
Amounts payable in respect of audit services are borne by Beeches Two Limited, a group undertaking		

# BEECHES TWO (EARDISLEY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 DECEMBER 2007**

### 3. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	95	89,330
Over/under provision in prior year	(274)	-
Total current tax	<u>(179)</u>	<u>89,330</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>316</u>	<u>303,609</u>
Profit on ordinary activities by rate of tax	95	91,083
Expenses not deductible for tax purposes	-	(1,753)
Adjustments to tax charge in respect of previous periods	(274)	-
Total current tax (note 3(a))	<u>(179)</u>	<u>89,330</u>

### 4. DEBTORS

	2007 £	2006 £
Amounts owed by group undertakings	349,268	251,984
Other debtors	11	281,596
	<u>349,279</u>	<u>533,580</u>

### 5. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Trade creditors	41	198
Amounts owed to group undertakings	5,528	-
Corporation tax	95	91,357
Other creditors	2,500	101,405
	<u>8,164</u>	<u>192,960</u>

# BEECHES TWO (EARDISLEY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

### 6. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions made with members of the group headed by Beeches Two Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

### 7. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	495	214,279
Opening shareholders' funds	<u>340,620</u>	<u>126,341</u>
Closing shareholders' funds	<u>341,115</u>	<u>340,620</u>

### 9. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Beeches Two Limited, its immediate parent undertaking, a company registered in England and Wales. Beeches Two Limited is the largest group of undertakings of which the company is a member, for which the group financial statements are prepared. Copies of the financial statements are available from Whittington Hall, Whittington Road, Worcester, WR5 2ZX

**BEECHES TWO (EARDISLEY) LIMITED**  
**MANAGEMENT INFORMATION**  
**YEAR ENDED 31 DECEMBER 2007**

**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditor's report on pages 4 to 5**

**BEECHES TWO (EARDISLEY) LIMITED****DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	£	£
<b>TURNOVER</b>	—	2,585,500
<b>COST OF SALES</b>		
Opening stock and work-in-progress	—	2,086,615
Professional Fees	—	3,420
Sales and Marketing	—	31,004
Property Holding Costs	(740)	11,961
Other Costs	—	2,467
	<u>(740)</u>	<u>2,135,467</u>
<b>GROSS PROFIT</b>	<u>740</u>	<u>450,033</u>
<b>OVERHEADS</b>		
Administrative expenses	<u>424</u>	<u>131,846</u>
<b>OPERATING PROFIT</b>	<u>316</u>	<u>318,187</u>
Interest Receivable	<u>—</u>	<u>2,131</u>
	<u>316</u>	<u>320,318</u>
Group Interest Payable	<u>—</u>	<u>(16,709)</u>
<b>PROFIT ON ORDINARY ACTIVITIES</b>	<u>316</u>	<u>303,609</u>

**BEECHES TWO (EARDISLEY) LIMITED**  
**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2007**

	2007		2006
	£	£	£
<b>ADMINISTRATIVE EXPENSES</b>			
<b>General expenses</b>			
General expenses	150		20
Subscriptions	274		263
Administration Fee - Harper Group	—		131,563
	<u>—</u>		<u>131,563</u>
		<b>424</b>	<b>131,846</b>
		<u>          </u>	<u>          </u>
<b>INTEREST RECEIVABLE</b>			
Interest Receivable		—	2,131
		<u>—</u>	<u>2,131</u>